

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:	)	Chapter 11
	)	
JOANN INC., <i>et al.</i> <sup>1</sup>	)	Case No. 25-10068 (____)
	)	
Debtors.	)	(Joint Administration Requested)
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**MOTION OF DEBTORS FOR ENTRY  
OF AN ORDER (I) APPROVING BIDDING PROCEDURES,  
(II) SCHEDULING CERTAIN DATES AND DEADLINES WITH RESPECT  
THERETO, (III) APPROVING THE FORM AND MANNER OF NOTICE  
THEREOF, (IV) APPROVING THE STALKING HORSE AGREEMENT,  
(V) ESTABLISHING NOTICE AND PROCEDURES FOR THE ASSUMPTION  
AND ASSIGNMENT OF CONTRACTS AND LEASES, (VI) AUTHORIZING  
THE ASSUMPTION AND ASSIGNMENT OF ASSUMED CONTRACTS AND LEASES,  
(VII) APPROVING THE SALE OF ASSETS, AND (VIII) GRANTING RELATED RELIEF**

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The above-captioned debtors and debtors in possession (collectively, the “Debtors”) state as follows in support of this motion:<sup>2</sup>

**Preliminary Statement**

1. In the weeks leading up to the Petition Date, the Debtors commenced a comprehensive marketing process in pursuit of one or more value-maximizing transactions for potential sales of all, substantially all, or any portion of the Debtors’ business as a leading national

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: JOANN Inc. (5540); Needle Holdings LLC (3814); Jo-Ann Stores, LLC (0629); Creative Tech Solutions LLC (6734); Creativebug, LLC (3208); WeaveUp, Inc. (5633); JAS Aviation, LLC (9570); joann.com, LLC (1594); JOANN Ditto Holdings Inc. (9652); Dittopatterns LLC (0452); JOANN Holdings 1, LLC (9030); JOANN Holdings 2, LLC (6408); and Jo-Ann Stores Support Center, Inc. (5027). The Debtors’ mailing address is 5555 Darrow Road, Hudson, Ohio 44236.

<sup>2</sup> A detailed description of the Debtors and their business, including the facts and circumstances giving rise to the Debtors’ chapter 11 cases, is set forth in the *Declaration of Michael Prendergast, Interim Chief Executive Officer of JOANN Inc., in Support of the Debtors’ Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”), filed contemporaneously herewith and incorporated by reference herein. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration, the Interim Cash Collateral Order (as defined below), and the Bidding Procedures (as defined below), as applicable.

retailer of sewing, arts and crafts, and select home décor products. As described more fully in the First Day Declaration, JOANN has faced significant strategic and operational challenges since emerging from its pre-packaged chapter 11 cases in 2024 and, since then, has worked to improve its restock levels and become profitable again. However, before this transition was completed, JOANN experienced increasingly tight liquidity levels, making it impossible to service its debt load. Accordingly, JOANN, with the assistance of Centerview Partners, LLC (“Centerview”), commenced a marketing process to enter into one or more sale transactions that would maximize the value of the Debtors’ assets beyond their liquidation value.

2. Those efforts bore fruit. The Company has received a “stalking horse” agency agreement in hand with Gordon Brothers Retail Partners, LLC (the “Stalking Horse Bidder,” its bid, the “Stalking Horse Bid,” and such agency agreement, the “Stalking Horse Agreement”) for the right to liquidate all of the Debtors’ Assets (as defined below). However, this proposal has not yet been tested through the crucible of a robust and competitive market check within the protections of the bankruptcy process. The Debtors plan to utilize the chapter 11 process to continue its comprehensive, strategic marketing process to solicit higher and better offers than the Stalking Horse Bid, including potential going concern bids.

3. Accordingly, pursuant to this Motion, the Debtors seek to formalize Bidding Procedures (as defined below) to continue their ongoing third-party marketing process and enter into one or more transactions, whether that be the Stalking Horse Bid or any bid or combination of bids that provides greater value to the Debtors’ stakeholders, including a going concern bid. This path forward will also require the Debtors to comply with certain Milestones negotiated with

the Debtors' Prepetition ABL and FILO Lenders, as required by the Interim Cash Collateral Order and as more fully described herein.<sup>3</sup>

4. The Debtors will continue pursuing and considering all actionable options in accordance with the Bidding Procedures (as defined below). The Debtors are seeking to sell all of their assets through one or multiple transactions, to the bidder(s) that present the greatest value maximizing alternative in aggregate on a going concern or liquidation basis. These assets include, but are not limited to, the Debtors' inventory, unexpired leases, executory contracts, equipment, supplies, intellectual property (including the Debtors' customer database), insurance proceeds, prepaid expenses and deposits, and books and records, in each case, free and clear of all liens, claims, interests, or other encumbrances (collectively, the "Assets"). The bidding procedures attached to the Bidding Procedures Order (as defined below) as Exhibit 1 (the "Bidding Procedures") provide significant flexibility to market the Debtors' assets in one or multiple transactions (each, a "Sale Transaction"). If approved, the Bidding Procedures will provide sufficient time for the Debtors to continue marketing the Assets, receive and evaluate bids, and, at the Debtors' discretion, hold an auction or auctions to determine the highest or otherwise best bids for the Assets as a whole or in component pieces.

5. The Debtors commenced these chapter 11 cases with consensual use of Cash Collateral, granting the Debtors with runway to pursue value-maximizing sale(s) of the Debtors' Assets. Under the terms of the proposed Interim Cash Collateral Order, the Debtors must satisfy certain milestones for the sale of their Assets, including:

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<sup>3</sup> "Interim Cash Collateral Order" means the *Interim Order (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Creditors, (III) Modifying Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* attached as Exhibit A to the *Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Creditors, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* filed concurrently with the filing of this motion.

- the Bid Deadline must be not later than February 12, 2025;
- the Auction, if any, must conclude by February 14, 2025; and
- on or before eight days after the conclusion of the Auction, if any, the Debtors shall have obtained an order from the Court approving a Winning Bid that is acceptable to the Prepetition ABL Agent and the Prepetition FILO Agent each in their sole discretion.

6. Time is of the essence. As set forth in the First Day Declaration, the Debtors face significant liquidity constraints which are best addressed through a swift but robust marketing and sale process, in turn avoiding the value-destructive consequences of protracted chapter 11 cases. A thorough yet expedited bidding process and consummation of one or more Sale Transactions are vitally important to the Debtors' efforts to maximize value. Conversely, if the Bidding Procedures are not approved or there is any material delay to the proposed sale timeline, then the Debtors' ability to maximize value for the benefit of all stakeholders will be jeopardized.

7. The Debtors believe it is critical that the sale process be consummated on the timeline set forth below, which is (a) consistent with the milestones in the Interim Cash Collateral Order and (b) provides the Debtors with sufficient runway to continue their prepetition marketing process to secure the highest or otherwise best purchase price possible for some or all of the Debtors' Assets. The Bidding Procedures and the related relief requested in this motion are in the best interests of the Debtors' estates and their stakeholders. Accordingly, the Debtors respectfully request that the Court grant this motion.

**Relief Requested**

8. The Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the "Bidding Procedures Order"):

(a) authorizing and approving the Bidding Procedures attached as Exhibit 1 to the Bidding Procedures Order;

- (b) approving the terms of the Stalking Horse Agreement attached to the Bidding Procedures Order as Exhibit 2, including the Expense Reimbursement (as defined below), and the Debtors' designation of the Stalking Horse Bid as a Qualified Bid (as defined below);
- (c) establishing certain dates and deadlines related thereto and scheduling an auction, if any (the "Auction");
- (d) approving the form and manner of notice of the Auction, if any, and the Sale Transactions, attached to the Bidding Procedures Order as Exhibit 3 (the "Sale Notice"), and the notices of Winning Bidder(s) (as defined below), attached to the Bidding Procedures Order as Exhibit 4 (the "Notice of Winning Bidder");
- (e) approving procedures for the assumption and assignment of the Assigned Contracts (as defined below) in connection with the Sale Transactions (the "Assumption and Assignment Procedures"), and approving the form and manner of the notice thereof, attached as Exhibit 5 to the Bidding Procedures Order (the "Cure Notice"); and
- (f) granting related relief.

**Jurisdiction and Venue**

9. The United States District Court for the District of Delaware has jurisdiction over this matter pursuant to 28 U.S.C. § 1334, which was referred to the United States Bankruptcy Court for the District of Delaware (the "Court") under 28 U.S.C. § 157 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. The Debtors confirm their consent, pursuant to rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

10. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

11. The statutory bases for the relief requested herein are sections 105(a), 363, and 365 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), rules 2002, 6004, 6006, 9007, 9008, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rules 2002–1, 6004–1 and 9013–1.

### Background

12. JOANN Inc., together with its Debtor and non-Debtor affiliates (collectively, “JOANN” or the “Company”) is a leading national retailer of sewing, arts and crafts, and select home décor products. Founded in Cleveland, Ohio, JOANN currently operates in 49 states with approximately 800 stores and 4 distribution centers. For over 80 years, JOANN has fueled the creativity and passion of its customers, the sewists, quilters, crocheters, crafters, and creative enthusiasts, with high quality products and a dedication to customer service.

13. On the date hereof (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their business and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently with the filing of this motion, the Debtors filed a motion requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no official committees have been appointed or designated.

### **The Proposed Sale Process**

#### **I. The Proposed Schedule.**

14. Pursuant to the Bidding Procedures, the Debtors will solicit the highest or otherwise best proposals according to the following proposed schedule, subject to Court approval and availability:

<b><u>Date and Time</u></b> (all times in the prevailing Eastern Time)	<b><u>Event or Deadline</u></b>
February 12, 2025, at 5:00 p.m.	Bid Deadline
February 13, 2025	Notice of Winning Bidder and Cancellation of Auction (if no Auction)
February 13, 2025	Sale Objection Deadline to the Stalking Horse Bid
February 14, 2025, at 10:00 a.m.	Auction (if any)
February 14, 2025, at 10:00 a.m. (subject to Court availability)	Sale Hearing (if no Auction)
February 15, 2025 (or as soon as reasonably practicable thereafter)	Notice of Winning Bidder(s) (if there is an Auction)
February 18, 2025, at 5:00 p.m.	Sale Objection Deadline for Winning Bid(s) (if there is an Auction)
February 22, 2025, at 10:00 a.m. (subject to Court availability)	Sale Hearing (if there is an Auction)

15. In addition to the time spent marketing the Assets prepetition, this timeline would provide the Debtors with an opportunity to conduct a thorough but swift process to market test the Stalking Horse Bid and solicit additional bids for all Assets, ultimately maximizing the value of their Assets for the recovery of all stakeholders. The Debtors will utilize the time prior to, and after, entry of the Bidding Procedures Order to actively market the Assets to expedite the solicitation of bids for the Assets in advance of the Bid Deadline (as defined below). In light of the foregoing, the Debtors have determined that the proposed schedule is in the best interests of the Debtors' estates, will assist in establishing whether and to what extent a market exists for the

Assets, provide interested parties with sufficient opportunity to participate in the Sale Transactions, and ultimately will result in the highest and best bid for the Assets under the circumstances. Moreover, the timeline avoids a protracted chapter 11 case that would be detrimental to maximizing the value of the Assets.

**II. The Stalking Horse Bid and Material Terms of the Stalking Horse Agreement.**

16. The Debtors also request approval of the Stalking Horse Agreement including the Expense Reimbursement, and corresponding Stalking Horse Bid, as a Qualified Bid. Having the flexibility to designate the Stalking Horse Bidder for the Assets will give the Debtors the ability to maximize the value of the Assets for creditors and other stakeholders by setting the floor at the Auction, if any, and prompt an efficient marketing process. The ability to designate the Stalking Horse Bidder is a reasonable and sound exercise of the Debtors' business judgment and provides an actual benefit to the Debtors' estates.

17. The following chart summarizes the terms and conditions of the Stalking Horse Agreement attached to the Bidding Procedures Order as Exhibit 2 and discloses certain information required pursuant to Local Rule 6004 1:<sup>4</sup>

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<sup>4</sup> This summary is provided for the convenience of the Court and parties in interest. To the extent there is any conflict between this summary and the Stalking Horse Agreement, the Stalking Horse Agreement shall govern in all respects. All references to schedules or sections in the following summary shall refer to schedules or sections of the Stalking Horse Agreement. Terms used but not defined in this summary description have the meaning ascribed to such term as in the Stalking Horse Agreement.

Stalking Horse Agreement Provision	Summary Description
<b>Stalking Horse Agreement Parties</b> <i>See Preamble</i>	<u>Seller</u> : JOANN, Inc. together with its subsidiaries and affiliates (the “ <u>Merchant</u> ”) <u>Agent</u> : Gordon Brothers Retail Partners, LLC (“ <u>Agent</u> ”)
<b>Assets</b> <i>See §§ 1, 5.1(b),</i>	<p>Assets, Avoidance Actions, and Other Causes of Action.</p> <p>“<u>Assets</u>” means Merchandise, Owned FF&amp;E, Leases, Contracts, all intellectual property rights owned by Merchant, and other real or tangible property.</p> <p>“<u>Merchandise</u>” means all goods owned by Merchant for resale as of the occurrence of the Closing, wherever located, including, for clarity, all goods that are on-order or in-transit as of the Closing, other than Excluded Goods.</p> <p>“<u>Owned FF&amp;E</u>” means the furniture, furnishings, trade fixtures, machinery, equipment, office supplies, Supplies (as defined below), conveyor systems, racking, rolling stock, and other tangible personal property owned by Merchant.</p> <p>“<u>Leases</u>” means any or all of Merchant’s unexpired leases of non-residential real property (together with all amendments, extensions, modifications, and other material documents related thereto).</p> <p>“<u>Contracts</u>” means executory contracts (together with all amendments, extensions, modifications, and other material documents related thereto).</p> <p>“<u>Avoidance Actions</u>” means claims and causes of action arising under chapter 5 of the Bankruptcy Code and similar state law.</p> <p>“<u>Other Causes of Action</u>” means, except as provided for in <u>Section 16.21(d)</u>, all other claims and causes of action, including but not limited to commercial tort claims, based on facts and circumstances existing as of the Closing, whether or not theretofore discovered or asserted.</p>
<b>Asset Designation Rights</b> <i>See § 15.2</i>	Upon the occurrence of the Closing, Agent shall have the exclusive right to market and sell, and/or otherwise designate the purchasers, transferees, and/or assignees of (which may in certain circumstances be Agent, any of the entities comprising Agent, any of their respective affiliates, and/or a new entity created by any of the foregoing), any or all of the Assets free and clear of all liens, claims, and encumbrances thereon (other than Permitted Encumbrances), without further order of the Bankruptcy Court (the “ <u>Asset Designation Rights</u> ”). Agent is authorized to execute, in the name of and as agent for Merchant, any and all deeds, bills of sale, and other instruments or documents necessary to effectuate the sale, transfer, or other conveyance of any of the Assets, none of which instruments or documents shall require Merchant to incur any obligations or other liabilities beyond the terms of this Agreement.
<b>Sale of Unexpired Leases Free and Clear</b> <b>Local Bankr. R. 6004-1(b)(iv)(M)</b> <i>See § 15.1</i>	Upon the occurrence of the Closing and until the earlier to occur of (i) the end of the Lease/Contract Designation Rights Period applicable to a particular Lease or Contract and (ii) May 31, 2025 (as may be amended by written agreement of the Parties, the “ <u>Designation Rights Termination Date</u> ”), Agent shall have the exclusive right to designate the purchasers, assignees, sublessees, or other transferees of Merchant’s right, title, and interest in and to any or all of the Leases and Contracts (the “ <u>Lease/Contract Designation Rights</u> ”) upon the terms and conditions agreed upon between Agent and such designee. <p>Merchant shall cooperate reasonably with Agent to arrange for the sale, sublease, assignment, and other transfer, as applicable, of the Leases and Contracts, with such</p>

Stalking Horse Agreement Provision	Summary Description
	<p>sale and assignment to be on such terms as Agent deems acceptable in its sole and absolute discretion. Without limiting the generality of the foregoing, Merchant agrees (1) to provide Agent with all due diligence materials and information as Agent shall reasonably request in connection with its efforts to market and attempt to sell or otherwise dispose of the Leases and Contracts (including complete copies thereof and any abstracts prepared with respect thereto, and all communications with the counterparties thereunder, all property surveys, all environmental reports and tax and utility records), with Agent to bear all reasonable third party out-of-pocket costs and expenses relating thereto, in all cases to the extent reasonably available to Merchant, and (2) to cooperate with Agent, its agents, and any potential purchasers assignees, sublessees, or other transferees of any of the Leases and/or Contracts.</p> <p>Solely to the extent requested by Agent, Merchant shall exercise renewal and/or extension options under the Leases and Contracts.</p> <p>At any time prior to the end of the Lease/Contract Designation Rights Period applicable to a particular Lease or Contract, Agent shall have the right, which right may be exercised at any time and from time to time, to file a Lease/Contract Assumption Notice in the Bankruptcy Cases designating the purchasers, assignees, sublessees, or other transferees (which may in certain circumstances be Agent, any of the entities comprising Agent, any of their respective affiliates, and/or a new entity created by any of the foregoing) of one or more Leases and/or Contracts (which may occur without further order of the Bankruptcy Court pursuant to the Approval Order) and setting forth the proposed cure amount due pursuant to section 365 of the Bankruptcy Code. The Approval Order shall provide that (a) the counterparties to the Leases or Contracts identified in any Lease/Contract Assumption Notice shall have ten (10) days to object to the proposed assumption and assignment, (b) if no objection to the proposed assumption and assignment of a Lease or Contract is timely received, such Lease or Contract shall, upon payment of the applicable cure payment, if any, to the applicable counterparty, automatically be deemed assumed by Merchant and sold, assigned, or otherwise transferred to the purchasers, assignees, or other transferees identified in the Lease/Contract Assumption Notice pursuant to sections 363 and 365 of the Bankruptcy Code, without further order of the Bankruptcy Court or further action by any person or entity, and (c) if an objection to the proposed assumption and assignment of a Lease or Contract is timely received, such Lease or Contract shall not be assumed or assigned until such objection is resolved by agreement of the applicable counterparty or order of the Bankruptcy Court.</p> <p>The designee under any Lease/Contract Assumption Notice shall be required, if requested by the applicable counterparty, to provide adequate assurance of future performance with respect to such Lease or Contract if the applicable counterparty so requests. Merchant shall have no responsibility for any cure amounts with respect to any Lease or Contract assumption and assignment.</p>
<b>Purchase Price</b> <i>See § 3.1</i>	<p>“<u>Purchase Price</u>” means (a) the Debt Payoff; (b) the Wind-Down Payments; (c) Central Services Payments, and (d) Expenses.</p>

Stalking Horse Agreement Provision	Summary Description
<b>Wind-Down Funding</b> <i>See § 3.1(b)</i>	<p>At Closing, Agent shall make an initial cash payment to Merchant equal to sixty-five percent (65%) of the Wind-Down Budget (the “<u>Initial Wind-Down Payment</u>”). Thirty (30) days after the Closing, Agent shall make a second cash payment to Merchant equal to thirty-five percent (35%) of the Wind-Down Budget (the “<u>Second Wind-Down Payment</u>” and, together with the Initial Wind-Down Payment, the “<u>Wind-Down Payments</u>”). The Wind-Down Payments shall not exceed the amount set forth in <u>Exhibit 3.1(b)</u> (the “<u>Wind-Down Budget</u>”); <u>provided, however</u>, that, solely with respect to the 503(b)(9) Claim subcategory of the Wind-Down Budget, any amounts that have not been expended by Merchant as of the Designation Rights Termination Date shall be returned to Agent upon the earlier of (i) the dismissal or conversion of the Bankruptcy Cases; or (ii) the effective date of a plan of liquidation of Merchant. With respect to the 503(b)(9) Claim subcategory, Merchant agrees not to make any payments until the date that is 60 days from the Closing (unless extended upon mutual agreement between Merchant and Agent). Merchant shall keep Agent informed on a timely basis of its efforts to reconcile 503(b)(9) claims and shall use best efforts to negotiate settlements with respect to the 503(b)(9) claims, in consultation with Agent.</p>
<b>Consideration to Agent</b> <i>See § 3.2</i>	<p>Upon the occurrence of the Closing and following the satisfaction of the Initial Purchase Price Funding, all Proceeds (including proceeds from Additional Agent Merchandise) shall be the exclusive property of Agent.</p> <p>Merchant shall hold all of the Assets in trust for the benefit of Agent. Any Proceeds received by, or that otherwise come into the possession of, Merchant at any time after the Closing shall be segregated and held strictly in trust for the benefit of Agent, shall not be commingled with Merchant’s own assets, shall not become property of Merchant’s bankruptcy estate, and shall be paid over to Agent promptly upon receipt by Merchant or upon notice received by Merchant from Agent, but in any event no later than the Weekly Sale Reconciliation.</p> <p>To the extent that there is Merchandise remaining at the Sale Termination Date (the “<u>Remaining Merchandise</u>”), such Remaining Merchandise shall be deemed automatically transferred to Agent free and clear of all liens, claims, and encumbrances (other than Permitted Encumbrances). Agent and its affiliates shall be authorized to sell or otherwise dispose of the Remaining Merchandise with all logos, brand names, and other Intellectual Property intact, and shall be authorized to advertise the sale of the Remaining Merchandise using the Intellectual Property.</p>
<b>Expenses</b> <i>See § 4</i>	<p>Subject to and only upon Closing, Agent shall be responsible for all “Expenses,” which shall be paid by Agent in accordance with <u>Section 4.3</u> below. As used herein, “<u>Expenses</u>” shall mean the actual operating expenses that arise solely after Closing through the Sale Termination Date, that are incurred at the direction of the Agent, to facilitate Agent’s conduct under this Agreement, or otherwise as agreed to by the Agent in writing, which are strictly limited to the following expenses:</p> <p class="list-item-l1">(a) actual hourly or salaried payroll, as applicable, with respect to all Retained Employees and any temporary labor engaged for the GOB Sale that are used in connection with conducting the GOB Sale for actual days/hours worked;</p> <p class="list-item-l1">(b) any amounts related to (i) benefits arising, accruing or attributable to the period between the Closing and the Sale Term: (w) vacation days or vacation pay, (x) sick days or sick leave or any other form of paid time off, (y) maternity leave or</p>

Stalking Horse Agreement Provision	Summary Description
	<p>other leaves of absence, and (z) ERISA coverage and similar contributions, and (ii) any amounts payable by Merchant for benefits (including FICA, unemployment taxes, workers' compensation and healthcare insurance, but excluding Excluded Payroll Benefits) for Retained Employees used in the GOB Sale (the "<u>Payroll Benefits</u>");</p> <p>(c) subject to <u>Section 6.1</u>, the actual Occupancy Expenses in the amounts shown on <u>Exhibit 4.1(c)</u>;</p> <p>(d) Retention Bonuses, if applicable, for Retained Employees, as provided for in <u>Section 9.4</u>;</p> <p>(e) advertising and direct mailings initiated by Agent relating to the GOB Sale, Store interior and exterior signage and banners procured by Agent, and sign-walkers or drivers procured by Agent, in each case relating to the GOB Sale;</p> <p>(f) credit card fees, bank card fees, and chargebacks and credit/bank card discounts with respect to Merchandise sold in the GOB Sale;</p> <p>(g) bank service charges (for Store, corporate accounts, and Agency Accounts), check guarantee fees, and bad check expenses to the extent directly attributable to the GOB Sale;</p> <p>(h) costs for additional Supplies at the Stores necessary to conduct the GOB Sale as solely to the extent requested by Agent;</p> <p>(i) all fees and charges required to comply with applicable laws in connection with the GOB Sale solely to the extent agreed to by Agent;</p> <p>(j) Store cash theft and other Store cash shortfalls in the registers;</p> <p>(k) any Central Services Expenses in excess of the Central Services Budget to the extent such expenses are incurred at the direction of the Agent, to facilitate Agent's conduct under this Agreement, or otherwise as agreed to by the Agent in writing;</p> <p>(l) the Distribution Center Expenses;</p> <p>(m) postage, courier and overnight mail charges requested by Agent to the extent relating to the GOB Sale;</p> <p>(n) third party payroll processing expenses associated with the GOB Sale; and</p> <p>(o) costs of transfers initiated by Agent of Merchandise and Additional Agent Merchandise between and among the Stores and Distribution Centers during the Sale Term, including delivery and freight costs, it being understood that Agent shall be responsible for coordinating such transfer of Merchandise.</p>

Stalking Horse Agreement Provision	Summary Description
	<p>(p) Subject to and only upon entry of the Approval Order, Agent shall be responsible for the payment of all Expenses out of Proceeds (or from Agent's own accounts if and to the extent there are insufficient Proceeds). All Expenses incurred during each week of the GOB Sale (i.e. Sunday through Saturday) shall be paid by Agent to or on behalf of Merchant, or paid by Merchant and thereafter reimbursed by Agent as provided for herein; provided, however, in the event that the actual amount of an Expense is unavailable on the date of the reconciliation (such as payroll), Merchant and Agent shall agree to an estimate of such amounts, which amounts will be reconciled once the actual amount of such Expense becomes available. To the extent necessary or appropriate, Agent shall work with Merchant in good faith to fund Expenses in advance as needed to ensure the timely payment thereof. Agent and/or Merchant may review or audit the Expenses at any time. To the extent such Expenses are paid by Merchant, Merchant shall provide Agent with payments that Merchant intends to issue for such Expenses at least one business day before issuance, which register shall identify amounts and expense categories of such payments.</p>
<b>GOB Sale Term</b> <i>See § 6.1</i>	<p>Subject to satisfaction of the conditions precedent set forth in <u>Section 10</u> hereof, the GOB Sale shall commence at each Store on a date determined by Agent in its sole discretion after the occurrence of the Closing (the "Sale Commencement Date") and shall end at each Store no later than May 31, 2025 (the "Sale Termination Date", and the period from the Sale Commencement Date to the Sale Termination Date as to each Store being the "Sale Term"). Agent may, in its discretion, earlier terminate the GOB Sale on a Store-by-Store basis or close a Distribution Center, upon written notice to Merchant at least five (5) days prior to the end of a calendar month (a "Vacate Notice") and vacate such Store or Distribution Center, in accordance with <u>Section 6.2</u>, by the end of such calendar month (the "Vacate Date"); <u>provided, however,</u> that Agent's obligations to pay all Expenses, including Occupancy Expenses, for each Store or Distribution Center, as applicable, subject to a Vacate Notice shall continue only until the applicable Vacate Date.</p>
<b>Conduct of the GOB Sale</b> <i>See § 8.1–8.2</i>	<p>Agent shall be permitted to conduct the GOB Sale as a "going out of business," "store closing," "sale on everything," "everything must go," or similarly themed sale throughout the Sale Term without compliance with any Liquidation Sale Laws, subject to the Approval Order. Agent shall conduct the GOB Sale in the name of and on behalf of Merchant in a commercially reasonable manner and in compliance with the terms of this Agreement and Applicable General Laws and subject to the Approval Order. Agent shall conduct the GOB Sale in accordance with the sale guidelines attached hereto as <u>Exhibit 8.1</u> (the "Sale Guidelines"). In addition to any other rights granted to Agent hereunder in conducting the GOB Sale, Agent shall have the right:</p> <p class="list-item-l1">(a) to establish GOB Sale prices and discounts and Store hours;</p> <p class="list-item-l1">(b) except as otherwise expressly included as an Expense, to use without charge during the Sale Term all FF&amp;E, IT Systems, existing Supplies, intangible assets (including Merchant's name, logo and tax identification numbers and, other Intellectual Property), Store keys, case keys, security codes and safe and lock combinations required to gain access to and operate the Stores, and any other assets of Merchant located at the Stores or Distribution Centers (whether owned, leased, or licensed), solely to the extent such use does not violate any Applicable General Law;</p>

Stalking Horse Agreement Provision	Summary Description
	<p>(c) (i) subject to satisfaction of Agent's payment obligations under this Agreement, to be provided by Merchant with central office facilities, central administrative services and personnel to process and perform Central Services and provide other central office services reasonably necessary for the GOB Sale; (ii) to use reasonably sized offices located at Merchant's central office facility to effect the GOB Sale; and (iii) to use all customer lists, mailing lists, email lists, and web and social networking sites and other Intellectual Property utilized by Merchant in connection with its business (to the extent such items can be segregated to the Stores or Distribution Centers and solely in connection with the GOB Sale and subject to Applicable General Laws and any other restrictions requested by Merchant in order for Merchant and Agent to comply with Merchant's privacy policies, contracts, agreements, or applicable laws governing the use and dissemination of personal or confidential information, including consumer personal data);</p> <p>(d) to establish and implement advertising, signage and promotion programs consistent with the "going out of business," "store closing," "sale on everything," "everything must go," or similarly themed sale, including without limitation by means of media advertising, and similar interior and exterior signs and banners, and the use of sign walkers or drivers, each at Agent's sole cost as an Expense;</p> <p>(e) to include Additional Agent Merchandise in the GOB Sale in accordance with <u>Section 8.9</u>; and</p> <p>(f) to transfer Merchandise between and among the Stores and Distribution Centers.</p> <p>During the Sale Term, all sales of Merchandise and Additional Agent Merchandise will be "final sales" and "as is," and appropriate signage and sales receipts will reflect the same. Agent shall not warrant the Merchandise in any manner, but will, to the extent legally permissible, pass on all manufacturers' warranties to customers. Except as otherwise provided herein, during the Sale Term, all sales will be made only for cash or nationally recognized bank credit or debit cards. Upon entry of the Approval Order, Agent shall not accept or honor coupons during the Sale Term. Agent shall clearly mark all receipts for the Merchandise sold at the Stores during the Sale Term so as to distinguish the sale of such Merchandise from the goods sold prior to the Sale Commencement Date.</p>
<b>Employee Matters</b> <i>See § 9.1</i>	<p>Subject to the Central Services Budget and payment of Expenses, Agent may use Merchant's employees in the conduct of the GOB Sale to the extent Agent deems necessary for the GOB Sale, and Agent may select and schedule the number and type of Merchant's employees required for the GOB Sale. Agent shall identify any such employees to be used in connection with the GOB Sale (each such employee, a "<u>Retained Employee</u>") prior to the Sale Commencement Date. Notwithstanding the foregoing, Merchant's employees shall at all times remain employees of Merchant. Agent's selection and scheduling of Merchant's employees shall at all times comply with all applicable collective bargaining agreements, laws and regulations. Merchant and Agent agree that, except to the extent that wages and benefits of Retained Employees constitute Expenses hereunder, nothing contained in this Agreement and none of Agent's actions taken in respect of the GOB Sale shall be deemed to constitute</p>

Stalking Horse Agreement Provision	Summary Description
	<p>an assumption by Agent of any of Merchant's obligations relating to any of Merchant's employees including, without limitation, Worker Adjustment Retraining Notification Act ("WARN Act") claims and other termination type claims and obligations, or any other amounts required to be paid by statute or law; nor shall Agent become liable under any employment agreement, collective bargaining agreement, or be deemed a joint or successor employer with respect to such employees. For the avoidance of doubt, Merchant shall be responsible for providing any required notice under the WARN Act or state laws with respect to its employees and otherwise comply with the WARN Act or state laws with respect to any "plant closing" or "mass layoff" (as defined in the WARN Act) or group termination or similar event affecting the employees, whether before or after the date of this Agreement. Merchant shall not, without the prior consent of Agent, raise the salary or wages or increase the benefits for, or pay any bonuses or other extraordinary payments to, any Store or Distribution Center employees prior to the Sale Termination Date. Merchant shall not transfer any employee in anticipation of the GOB Sale nor any Retained Employee during the Sale Term, in each case without Agent's prior consent, not to be unreasonably withheld. To the extent reasonably requested in writing by Agent, and at Agent's expense, Merchant shall use commercially reasonable efforts to hire additional temporary employees to facilitate the GOB Sale, which employees shall constitute Retained Employees for purposes of this Agreement.</p>
<p><b>Excluded Assets &amp; Record Retention</b></p> <p><b>Local Bankr. R. 6004-1(b)(iv)(J)</b></p> <p><i>See § 16.21(d)</i></p>	<p>"<u>Excluded Assets</u>" means:</p> <p class="list-item-l1">(a) all documents prepared or received by Merchant or any of its affiliates or on their behalf in connection with the sale of the Assets, this Agreement or the other Agency Documents, the transactions contemplated by this Agreement, or the Bankruptcy Case, including (a) all records and reports prepared or received by Merchant or any of its Affiliates or representatives in connection with the sale of the Assets or the transactions contemplated by this Agreement, including all analyses relating to the business of Merchant or any of its Affiliates so prepared or received, (b) all bids and expressions of interest received from third parties with respect to the acquisition of any of Merchant's or any of its Affiliates' businesses or assets, (c) all privileged materials, documents and records of Merchant or any of its Affiliates, (d) copies of the documents, materials and data related to liabilities prior to the Closing, (e) confidentiality agreements with prospective purchasers of the Assets, and (f) any other files or records to the extent relating to any Excluded Assets or liabilities or the Bankruptcy Case;</p> <p class="list-item-l1">(b) all current and prior insurance policies or employee benefit plans of Merchant or any of its Affiliates, including for the avoidance of doubt all director and officer insurance policies, and all rights and benefits of any nature of Merchant or any of its Affiliates with respect thereto, including all insurance recoveries thereunder and rights to assert claims with respect to any such insurance recoveries;</p> <p class="list-item-l1">(c) all equity interests;</p> <p class="list-item-l1">(d) Merchant's claims, causes of action or other rights under this Agreement, including the Purchase Price, or any agreement, certificate, instrument, or other document executed and delivered between Merchant or its Affiliates and Agent or any of its Affiliates or designees in connection with the transactions contemplated</p>

Stalking Horse Agreement Provision	Summary Description
	<p>by this Agreement, or any other agreement between Merchant or any of its Affiliates and Agent or any of its Affiliates or designees entered into on or after the date hereof;</p> <p>(e) all claims and causes of action contemplated to be released pursuant to the consummation of a plan of liquidation of Merchant, against Merchant's related parties only, notwithstanding anything contrary in this Agreement;</p> <p>(f) the Funded Reserve Account, as defined in the Cash Collateral Order;</p> <p>(g) all liabilities or other amounts owing from Merchant or any of its Affiliates;</p> <p>(h) all IT Systems; and</p> <p>(i) tax attributes of Merchant and its Affiliates other than those transferring to Agent by operation of applicable tax law, and other than refunds that do not offset tax liabilities of Merchant or that otherwise result in cash payments to Merchant.</p>
<b>Representations and Warranties</b> <i>See § 11</i>	<p>Customary representations and warranties by Agent and Merchant, including but not limited to a representation by Agent that it has, and will have at the Closing, sufficient funds in an aggregate amount necessary to pay the Purchase Price and any Expenses, to perform their obligations as they become due in accordance with their terms and to consummate all of the other transactions, including the payment of the Purchase Price and all fees, expenses of, and other amounts required to be paid by, Agent in connection with the transactions.</p>
<b>Agent's Security Interest</b> <i>See § 14</i>	<p>Upon the occurrence of the Closing and satisfaction of the Debt Payoff, Agent is hereby granted first priority, senior security interests in and liens upon all Assets, all Proceeds, and any proceeds thereof, which security interests and liens shall be deemed by the Approval Order to be automatically perfected. The Approval Order shall grant Agent relief from the automatic stay, and nothing in the Approval Order shall inhibit Agent's ability, to take any action Agent deems appropriate to perfect such security interests and liens. From and after the Closing, the Merchant shall not grant any other party any security interests in or liens upon the Assets, Proceeds, or proceeds thereof. Any security interests in or liens upon the Assets prior to the Closing and satisfaction of the Debt Payoff shall attach to the Purchase Price as of the Closing.</p> <p>Upon the occurrence of the Closing and until all Assets have been sold or otherwise disposed of, Agent shall have a superpriority administrative expense claim against Merchant, which is senior to all other administrative expenses (including any other superpriority –administrative expense claims) to the extent of any amounts owing from Merchant to Agent in connection with this Agreement, including as a result of any breach of this Agreement.</p>
<b>Agent Dropout Rights</b> <i>See §15.3</i>	<p>At any time prior to the expiration of the Lease/Contract Designation Rights Period or the Designation Rights Termination Date (as applicable), Agent shall have the right, upon five (5) days' written notice (the "<u>Dropout Notice Period</u>"), which right may be exercised at any time and from time to time in Agent's sole and absolute discretion, to provide notice to Merchant (each such notice, a "<u>Dropout Notice</u>") of Agent's election to discontinue its efforts to market and attempt to sell, assign, transfer, license, designate the acquirer or purchaser, or otherwise dispose of any Asset (each,</p>

Stalking Horse Agreement Provision	Summary Description
	<p>a “<u>Dropout Asset</u>” and, collectively, the “<u>Dropout Assets</u>”). Upon the effective date of any Dropout Notice, (i) Agent shall have no further obligation or liability with respect to the subject Dropout Asset, and (ii) Merchant shall thereafter be solely responsible for all such Dropout Asset(s) from and after the effective date of the Dropout Notice. Upon expiration of the Dropout Notice Period, all rights to the Dropout Assets shall revert to Merchant, and Merchant may dispose of such Dropout Asset in such manner as Merchant may elect, and one hundred percent (100%) of all proceeds realized upon a disposition of such Dropout Asset shall be the exclusive property of Merchant (and shall not constitute Proceeds). The delivery of a Dropout Notice shall not result in a reduction of the Purchase Price payable hereunder. Prior to the expiration of the Dropout Notice Period, the Agent, in its sole and absolute discretion, may withdraw any Dropout Notice upon written notice to Merchant. Effective upon the conclusion of the Designation Rights Termination Date, and without any further act by or on behalf of the Agent (such date, the “<u>Deemed Drop Out Date</u>”), Agent shall be deemed to have provided Merchant with a Dropout Notice (the “<u>Deemed Drop Out Notice</u>”) for all remaining Assets (other than Assets that were subject to a prior Asset Designation Notice, which Deemed Drop Out Notice shall be deemed effective as of the Deemed Drop Out Date).</p>
<p><b>Agent Indemnification</b>  <i>See § 13.7(b)</i></p>	<p>Agent shall indemnify Merchant (and their respective estates) for up to \$10,000,000.00 on account of any Administrative Expense Claim or Priority Tax Claim attributable to the tax consequences associated with the elimination or cancellation of, transfer of, or withdrawal from the Key Man Insurance Policy Program provided for under certain Pre-1986 Corporate Owned Life Insurance policies issued in 1984 and 1985 by Provident Life and Accident Insurance Company (the “<u>Key Man Insurance Policies</u>” and any associated tax liability, the “<u>Key Man Insurance Tax Liability</u>”) upon the tax becoming payable to the relevant taxing authority. Merchant shall use best efforts to, and reasonably cooperate with, Agent and its professionals in efforts to, mitigate and/or offset the amount of any Key Man Insurance Tax Liability, including by evaluating the availability of any tax attributes that could reduce or eliminate the Key Man Insurance Tax Liability, considering the appropriate classification of any Key Man Insurance Tax Liability, considering structuring alternatives to monetize the Key Man Insurance Policies or otherwise preventing any Key Man Insurance Tax Liability from arising. For the avoidance of doubt, Agent shall be entitled to the net proceeds (if any), after payment of any associated tax liability, of the Key Man Insurance Policies, including if such proceeds become due and payable prior to the Merchant’s withdrawal.</p>
<p><b>Sale to Insider</b>  <b>Local Bankr. R.</b>  <b>6004-1(b)(iv)(A)</b></p>	N/A
<p><b>Agreements with Management</b>  <b>Local Bankr. R.</b>  <b>6004-1(b)(iv)(B)</b></p>	N/A
<p><b>Releases</b>  <b>Local Bankr. R.</b>  <b>6004-1(b)(iv)(C)</b></p>	N/A

Stalking Horse Agreement Provision	Summary Description
<b>Private Sale / No Competitive Bidding</b>	The Debtors have proposed an open Auction and sale process.
<b>Local Bankr. R. 6004-1(b)(iv)(D)</b>	
<b>Closing and Other Deadlines</b>	Closing shall occur by February 14, 2025.
<b>Local Bankr. R. 6004-1(b)(iv)(E)</b>	
<i>See § 10(a)</i>	
<b>Good Faith Deposit</b>	N/A
<b>Local Bankr. R. 6004-1(b)(iv)(F)</b>	
<b>Interim Arrangements with Proposed Agent</b>	N/A
<b>Local Bankr. R. 6004-1(b)(iv)(G)</b>	
<b>Use of Proceeds</b>	
<b>Local Bankr. R. 6004-1(b)(iv)(H)</b>	On the Closing Date, in accordance with payoff letters by each of the ABL Agent (the “ <u>ABL Payoff Letter</u> ”) and FILO Agent (the “ <u>FILO Payoff Letter</u> ” and, together with the ABL Payoff Letter, the “ <u>Payoff Letters</u> ”) in form and substance satisfactory to each such party, Agent shall:
<i>See § 3.1(a)</i>	<p>(a) to the ABL Agent, for the benefit of the ABL Lenders, and certain other persons as directed in the ABL Payoff Letter, (a) pay the amount in cash necessary to indefeasibly pay in full in cash all Prepetition Revolving Obligations (as defined in the Cash Collateral Order), including, without limitation, all outstanding principal, accrued interest, fees, costs and expenses (including, without limitation, all attorneys’ fees, costs and expenses), and (b) provide and/or post cash collateral for (and/or replacement of) any issued and outstanding letters of credit (in form and substance acceptable to the Prepetition ABL Agent), in each case in accordance with and as set forth in the ABL Payoff Letter (such amounts and other consideration, the “<u>ABL Payoff</u>”); and</p> <p>(b) pay to the FILO Agent, for the benefit of the FILO Lenders, and certain other persons as directed in the FILO Payoff Letter, the amount in cash necessary to indefeasibly pay in full in cash all Prepetition FILO Obligations (as defined in the Cash Collateral Order), including, without limitation, all outstanding principal, accrued interest, fees, costs and expenses (including, without limitation, all attorneys’ fees, costs and expenses) and make whole obligations, all as set forth in the FILO Payoff Letter (such amounts and other consideration, the “<u>FILO Payoff</u>” and, together with the ABL Payoff, the “<u>Debt Payoff</u>”).</p>
<b>Tax Exemption</b>	N/A
<b>Local Bankr. R. 6004-1(b)(iv)(I)</b>	
<b>Sale of Avoidance Actions</b>	Agent and its designees are granted derivative standing to pursue the Avoidance Actions (subject to Section 11.2(f)) and Other Causes of Action in the name of and/or

Stalking Horse Agreement Provision	Summary Description
<b>Local Bankr. R.</b> <b>6004-1(b)(iv)(K)</b> <i>See § 2(b)(xxviii)</i>	on behalf of Merchant.
<b>Requested Findings as to Successor Liability</b> <b>Local Bankr. R.</b> <b>6004-1(b)(iv)(L)</b> <i>See § 2(b)(xxx)</i>	Neither Agent nor any entity comprising Agent is or shall be a mere continuation of Merchant or otherwise subject to successor liability in connection with any of the Assets.
<b>Credit Bid</b> <b>Local Bankr. R.</b> <b>6004-1(b)(iv)(N)</b>	N/A
<b>Relief from Bankruptcy Rule 6004(h)</b> <b>Local Bankr. R.</b> <b>6004-1(b)(iv)(O)</b>	The Debtors have requested a waiver of the fourteen-day stay under Bankruptcy Rule 6004(h).

### III. The Bidding Procedures.

18. The Debtors developed and proposed the Bidding Procedures, attached as Exhibit 1 to the Bidding Procedures Order, to solicit, receive, and evaluate bids in a fair, accessible, and expeditious manner. The Bidding Procedures facilitate the continuation of the marketing process and are designed to permit an efficient, competitive, and value-maximizing sale process for the Assets.

19. The Bidding Procedures will provide potential bidders with ample notice and time to conduct thorough due diligence (most of which started prepetition) and to submit binding bids in advance of the Auction, if any. The Bidding Procedures are designed to encourage all prospective bidders to put their best bid forward, effectuate an expeditious, value-maximizing process with minimal disruption, and create a path towards consummation of the Sale Transactions and the highest or otherwise best available recoveries for the Debtors' stakeholders. The proposed Bidding Procedures are in the best interests of all stakeholders and should be approved.

20. The following describes the salient points of the Bidding Procedures and discloses certain information required pursuant to Local Rule 6004-1:<sup>5</sup>

<u>Requirement</u>	<u>Description</u>
<b>Submissions to the Debtors; Consultation Parties</b>	<p>All submissions to the Debtors required or permitted to be made under the Bidding Procedures must be directed to each of the following persons or entities unless otherwise provided:</p> <p>A. <u>Debtors</u>: JOANN Inc., Attn.: Ann Aber, EVP, Chief Legal and Human Resources Officer (ann.aber@joann.com).</p> <p>B. <u>Debtors' Proposed Counsel</u>: (i) Kirkland &amp; Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn.: Aparna Yenamandra, P.C. (aparna.yenamandra@kirkland.com), Kirkland &amp; Ellis LLP, 333 West Wolf Point Plaza, Chicago, Illinois 60654, Attn.: Jeffrey Michalik (jeff.michalik@kirkland.com), and Lindsey Blumenthal (lindsey.blumenthal@kirkland.com); and (ii) Cole Schotz P.C., 500 Delaware Avenue, Suite 1410, Wilmington, Delaware 19801, Attn.: Patrick J. Reilley (preilley@coleschotz.com), Stacy L. Newman (snewman@coleschotz.com), Michael E. Fitzpatrick (mfitzpatrick@coleschotz.com), and Jack M. Dougherty (jdougherty@coleschotz.com).</p> <p>C. <u>Debtors' Proposed Investment Banker</u>: Centerview Partners, LLC, 31 West 52nd Street, 22nd Floor, New York, New York 10019, Attn.: Ryan Kielty (rkielty@centerview.com), Karn Chopra (kchopra@centerview.com), and Daniel Bendetson (dbendetson@centerview.com).</p> <p>D. <u>Prepetition ABL Agent</u>: (i) Morgan, Lewis &amp; Bockius LLP, One Federal Street, Boston, Massachusetts 02110, Attn: Marjorie Crider and Christopher L. Carter (marjorie.crider@morganlewis.com and christopher.carter@morganlewis.com), and (ii) Reed Smith LLP, 1201 North Market Street, Suite 1500, Wilmington, Delaware 19801, Attn: Kurt F. Gwynne and Jason D. Angelo (kgwynne@reedsmith.com and jangelo@reedsmith.com).</p> <p>E. <u>Prepetition FILO Agent</u>: (i) Choate Hall &amp; Stewart LLP, 2 International Place, Boston, Massachusetts 02110, Attn: John Ventola (jventola@choate.com) and Jonathan Marshall (jmarshall@choate.com) and (ii) DLA Piper LLP (US) 1201 N Market St. Suite 2100, Wilmington, Delaware 19801, Stuart Brown (stuart.brown@us.dlapiper.com).</p> <p>F. <u>Prepetition Term Loan Agent</u>: ArentFox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor, New York, New York 10019, Attn: Jeffrey Gleit</p>

<sup>5</sup> The following summary is provided for convenience purposes only and is qualified in its entirety by the Bidding Procedures. Because the Bidding Procedures are attached as Exhibit 1 to the Bidding Procedures Order, they are not restated in their entirety herein. To the extent any of the terms described below are inconsistent with the Bidding Procedures, the Bidding Procedures control in all respects. Capitalized terms used in this summary but not defined herein shall have the meanings ascribed to them in the Bidding Procedures.

<u>Requirement</u>	<u>Description</u>
	<p>(jeffrey.gleit@afslaw.com), Jonathan Bagg (jonathan.bagg@afslaw.com), and Matthew Bentley (matthew.bentley@afslaw.com).</p> <p>The “<u>Consultation Parties</u>” are (A) the Prepetition ABL Agent and the Prepetition FILO Agent, and (B) any statutory committee appointed in these cases (the “<u>Committee</u>”); <i>provided</i> that any Consultation Party, including any member of the Committee, who submits a Bid (as defined below), including a Credit Bid, for any Assets in connection with these Bidding Procedures, or is a participant in any active Bid with respect to any Asset(s), shall immediately no longer be a Consultation Party with respect to the evaluation and qualification of competing Bids for the Assets included in their Bid or with respect to seeking and/or obtaining information about other Bids, unless and until such party unequivocally revokes its Bid and waives its right to continue in the bidding process, but shall remain a Consultation Party for other purposes set forth in these Bidding Procedures; <i>further</i>, that immediately upon any Consultation Party’s secured debt (as applicable) being indefeasibly paid in full in cash, such Consultation Party shall immediately no longer be a Consultation Party under these Bidding Procedures.<sup>6</sup> Materials and information provided by the Debtors or their advisors to the advisors to any Consultation Party may be shared with such Consultation Party, subject in all respects to these Bidding Procedures, the Bidding Procedures Order, and the respective Confidentiality Agreement entered into by and among or otherwise agreed to between each such Consultation Party and the Debtors.</p> <p>The Debtors shall consult with the Consultation Parties in good faith regarding the sale process for the Assets and the Sale Transactions, including evaluation of any and all Bids, scheduling and operation of the Auction (if applicable), selection of a Winning Bid (as defined below), negotiation of the purchase agreement or agency agreement, as applicable, as well as any modifications of these Bidding Procedures. The Debtors shall also provide to the Consultation Parties and their advisors regular reports concerning the sale process, including parties contacted, proposals received, and any due diligence requested by potential purchasers.</p>
<b>Potential Bidders &amp; Acceptable Bidders</b>	<p>To participate in the bidding process or otherwise be considered for any purpose under these Bidding Procedures, a person or entity interested in consummating a Sale Transaction (a “<u>Potential Bidder</u>”) must deliver or have previously delivered to the Debtors and each of their advisors the following documents and information (unless the Debtors, in their reasonable business judgment after consultation with the Consultation Parties, choose to waive any of the requirements set forth in this Section 4 for any Potential Bidder):</p> <ol style="list-style-type: none"> <li data-bbox="507 1459 1481 1522">A. an executed confidentiality agreement on terms acceptable to the Debtors (a “<u>Confidentiality Agreement</u>”);</li> <li data-bbox="507 1550 1481 1613">B. sufficient information that the Potential Bidder has or can reasonably obtain the financial capacity to close a purchase of the targeted assets, the adequacy of which</li> </ol>

<sup>6</sup> If any Prepetition ABL and FILO Lender submits a Bid or otherwise is a participant with respect to any active Bid, the other Prepetition ABL and FILO Lenders shall remain Consultation Parties; *provided* that such bidding Prepetition ABL and FILO Lender shall be precluded from receiving or reviewing information or documentation not otherwise available to all Acceptable Bidders, and the other Prepetition ABL and FILO Lenders shall not share or otherwise discuss such information with the bidding Prepetition ABL and FILO Lender.

<u>Requirement</u>	<u>Description</u>
	<p>must be acceptable to the Debtors, in consultation with the Consultation Parties (i.e., no financing out); and</p> <p>C. any other information or documentation that the Debtors reasonably request.</p> <p>The Debtors, in their reasonable business judgment and in consultation with the Consultation Parties, will determine and notify each Potential Bidder whether such Potential Bidder has submitted adequate documents so that such Potential Bidder may proceed to conduct due diligence and submit a Bid (as defined below) (such Potential Bidder, an “<u>Acceptable Bidder</u>”). The Debtors shall promptly inform the Consultation Parties of any entity that becomes an Acceptable Bidder.</p> <p>The Debtors may, in their reasonable business judgment, conduct a process for the sale of unsold assets that are not included in any Winning Bid(s) (as defined below), subject to the Cash Collateral Order.</p>
<b>Due Diligence</b>	<p>The Debtors, with their advisors, have established an electronic data room (the “<u>Data Room</u>”) that provides standard and customary diligence materials, including information to allow Acceptable Bidders to submit a Qualified Bid (as defined below).</p> <p>Only Acceptable Bidders shall be eligible to receive due diligence information and access to the Data Room and to additional non-public information regarding the Debtors. Subject to the other terms herein, the Debtors may provide to each Acceptable Bidder reasonable due diligence information, as requested by such Acceptable Bidder in writing, as soon as reasonably practicable after such request. For all Acceptable Bidders, the due diligence period will end on the Bid Deadline. The Debtors may, in their reasonable business judgment after consultation with the Consultation Parties, but shall have no obligation to, furnish any additional due diligence information to any person following the Bid Deadline.</p> <p>The Debtors shall not furnish any confidential information relating to the Assets, liabilities of the Debtors, or the Sale Transactions to any person except to an Acceptable Bidder or to such Acceptable Bidder’s duly authorized representatives subject to the applicable Confidentiality Agreement. The Debtors and their advisors shall coordinate all reasonable requests from Acceptable Bidders for additional information and due diligence access; <i>provided</i> that the Debtors may decline to provide such information to Acceptable Bidders who, at such time and in the Debtors’ reasonable business judgment, have not established, or who have raised doubt, that such Acceptable Bidder intends in good faith to, or has the capacity to, consummate a Sale Transaction.</p> <p>Neither the Debtors nor any of their representatives shall be obligated to furnish any information of any kind whatsoever relating to the Assets (a) to any person or entity who is not an Acceptable Bidder or (b) if and to the extent doing so would (1) violate any law to which the Debtors are subject, including any privacy law, (2) result in the disclosure of any trade secrets of third parties in breach of any contract with such third party, (3) violate any legally-binding obligation of any Debtor with respect to confidentiality, non-disclosure or privacy, or (4) jeopardize protections afforded to any Debtor under the attorney-client privilege or the attorney work product doctrine (<i>provided</i> that, in case of each of clauses (1) through (4), the Debtors shall use commercially reasonable efforts to (x) provide such access as can be provided (or otherwise convey such information regarding the applicable matter as can be conveyed) without violating such privilege, doctrine, contract, obligation or law and (y) provide such information in a manner without violating such privilege, doctrine, contract,</p>

<u>Requirement</u>	<u>Description</u>
	<p>obligation, or law).</p> <p>The Debtors, in consultation with the Consultation Parties, also reserve the right to withhold any diligence materials that the Debtors determine are sensitive or otherwise not appropriate for disclosure, including to an Acceptable Bidder whom the Debtors determine in consultation with the Consultation Parties is a competitor of the Debtors, a potential competitor of the Debtors, or is affiliated with any competitor of the Debtors. Neither the Debtors nor their representatives shall be obligated to furnish information of any kind whatsoever to any person that is not determined to be an Acceptable Bidder.</p> <p><b>All due diligence requests directed to the Debtors must be directed to: Ryan Kielty (rkielty@centerview.com) and Daniel Bendetson (dbendetson@centerview.com).</b></p> <p><b>Each Potential Bidder or Acceptable Bidder shall comply with all reasonable requests for information and due diligence access made by the Debtors, their advisors, regarding such Potential Bidder or Acceptable Bidder, as applicable, and its contemplated Sale Transaction. Failure by a Potential Bidder or Acceptable Bidder to comply with reasonable requests for additional information and due diligence access will be a basis for the Debtors to determine that the Potential Bidder or Acceptable Bidder, as applicable, is not a Qualified Bidder. Failure by a Qualified Bidder to comply with such requests for additional information and due diligence access will be a basis for the Debtors, after consultation with the Consultation Parties, to determine that a bid made by a Qualified Bidder is not a Qualified Bid.</b></p>
<b>Bid Requirements</b>	<p>Any proposal, solicitation, or offer to consummate a Sale Transaction (each, a “<u>Bid</u>”) must be submitted in writing and must satisfy the following requirements (collectively, the “<u>Bid Requirements</u>”):</p> <p class="list-item-l1">A. <b>Proposed Sale Transaction.</b> Each Bid must clearly propose a Sale Transaction as to the Assets. Each Bid must specify (1) which of such Assets—with as much specificity as is possible—are to be included in the proposed Sale Transaction (the “<u>Acquired Assets</u>”), (2) to the extent such Bid is for substantially all of the Assets, which Assets, if any, are to be excluded from the proposed Sale Transaction (the “<u>Excluded Assets</u>”), (3) the liabilities and obligations, including any debt and cure costs to be assumed (the “<u>Assumed Liabilities</u>”), and (4) as applicable, whether the Acceptable Bidder intends to operate the Debtors’ business as a going concern, acquire certain Assets, or otherwise liquidate the business. For the avoidance of doubt, all Assets held by non-Debtor subsidiaries shall be presumed to be Excluded Assets.</p> <p class="list-item-l1">B. <b>Purchase Price.</b> Each Bid must (a) clearly specify the purchase price to be paid, assuming a purchase of the applicable Assets and assumption of any Assumed Liabilities (the “<u>Purchase Price</u>”); (b) identify separately any cash and non-cash components (which non-cash components shall be limited only to credit bids and Assumed Liabilities) of the Purchase Price in United States dollars; and (c) indicate the allocation of the Purchase Price among the applicable Assets. The Purchase Price shall exceed the Stalking Horse Bid by at least the aggregate sum of (1) the Expense Reimbursement, and (2) such additional amount as determined by the Debtors in their reasonable business judgment after consultation with the Consultation Parties, and shall include a cash component sufficient to satisfy the “<u>Obligations</u>” under the ABL/FILO Credit Agreement and the Prepetition</p>

<u>Requirement</u>	<u>Description</u>
	<p>ABL/FILO Obligations (including the cash collateralization of all obligations related to letters of credit and contingent exposure, as applicable) to be Paid in Full (each as defined in the Cash Collateral Order) on the closing of the Sale Transaction; <i>provided, however,</i> that the Debtors reserve the right to approve joint Bids that satisfy the foregoing conditions and are acceptable to the Prepetition ABL Agent and the Prepetition FILO Agent.</p> <p>C. <b><u>Deposit.</u></b> Other than a Credit Bid, each Bid must be accompanied by a cash deposit equal to ten percent (10%) of the applicable aggregate Purchase Price (the “<u>Deposit</u>”), to be held in one or more escrow accounts on terms acceptable to the Debtors and the Consultation Parties; <i>provided</i> that the Debtors, in their reasonable business judgment and in consultation with the Consultation Parties, may elect to waive or modify the requirement of a Deposit on a case-by-case basis. To the extent the Purchase Price of a Bid is increased, at any time or from time to time, whether prior to commencement of the Auction or during the Auction, the amount of the Deposit shall automatically increase accordingly (to be equal to ten percent (10%) of any increased Purchased Price) and the corresponding Potential Bidder will pay into escrow the amount of such increase, as promptly as practicable, and in any event within one business day, following such increase. Without limiting the foregoing, if a Purchase Price is increased in order to make a bid into a Qualified Bid, the Debtors may, in consultation with the Consultation Parties, condition participation of the applicable Potential Bidder at the Auction on such Potential Bidder paying the then full amount of the Deposit into escrow prior to commencement of the Auction or such participation. For the avoidance of doubt, a Bid that is comprised of both a Credit Bid and cash consideration does not need to include a Deposit.</p> <p>D. <b><u>Transaction Documents.</u></b> Each Bid must be accompanied by an executed form of purchase agreement or agency agreement, which the Debtors shall make available to Acceptable Bidders via the Debtors’ electronic data room pursuant to the due diligence process, with respect to the proposed Sale Transaction, including the exhibits, schedules, and ancillary agreements related thereto and any other related material documents integral to such Bid.</p> <p>E. <b><u>Back-Up Bidder Commitment.</u></b> Each Bid must include a written commitment by the applicable Potential Bidder to serve as a Back-Up Bidder (as defined below) in the event that such Potential Bidder’s Bid is not selected as the Winning Bid; <i>provided</i> that the foregoing shall not apply to any Potential Bidder that (1) both (a) qualifies as a Secured Party (as defined below) and (b) submits a Credit Bid; or (2) is the Stalking Horse Bidder.</p> <p>F. <b><u>Proof of Financial Ability to Perform.</u></b> To the extent that a Bid is not accompanied by evidence of the Potential Bidder’s capacity to consummate the Sale Transaction set forth in its Bid with cash on hand, each Bid must include unconditional committed financing from a reputable financing institution, documented to the satisfaction of the Debtors in consultation with the Consultation Parties, that demonstrates that the Potential Bidder has: (i) received sufficient debt and/or equity funding commitments to satisfy the Potential Bidder’s Purchase Price and other obligations under its Bid; and (ii) adequate working capital financing or resources to finance going concern operations for the applicable Assets and the proposed Sale Transaction. Such funding commitments or other financing must be unconditional</p>

<u>Requirement</u>	<u>Description</u>
	<p>and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, and shall have covenants and conditions reasonably acceptable to the Debtors, in consultation with the Consultation Parties.</p> <p>G. <b><u>Contingencies; No Financing or Diligence Outs.</u></b> Each Bid shall not be conditioned on the obtaining or the sufficiency of financing or any internal approval, or on the outcome or review of due diligence.</p> <p>H. <b><u>Identity.</u></b> Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in connection with such Bid—including each equity holder or other financial backer of the Potential Bidder if such Potential Bidder is an entity formed for the purpose of consummating the proposed Sale Transaction contemplated by such Bid—and the complete terms of any such participation. Each Bid must also fully disclose whether any current or former officer, director, or equity holder of the Debtors, or any entity affiliated with any current or former officer, director, or equity holder of the Debtors, will be bidding or otherwise participating in connection with such Bid, including any employment or compensation arrangements being negotiated or agreed to between the Qualified Bidder and any employee of the Debtors. Under no circumstances shall any undisclosed insiders, principals, equity holders, or financial backers of the Debtors be associated with any Bid. Each Bid should also include contact information for the specific person(s) and counsel whom the Debtors (and their advisors) should contact regarding such Bid.</p> <p>I. <b><u>Authorization.</u></b> Each Bid must contain evidence acceptable to the Debtors that the Potential Bidder has obtained authorization or approval from its board of directors (or a comparable governing body) with respect to the submission of its Bid and the consummation of the Sale Transaction contemplated by such Bid.</p> <p>J. <b><u>Contracts and Leases.</u></b> Each Bid must identify each and every executory contract and unexpired lease to be assumed and assigned in connection with the proposed Sale Transaction (collectively, the “<u>Assigned Contracts</u>”). Each Bid must be accompanied by adequate assurance of future performance under all Assigned Contracts, which shall include audited and unaudited financial statements, tax returns, bank account statements, and a description of the business to be conducted at the premises, and such other documentation as the Debtors may request (the “<u>Adequate Assurance Package</u>”). The Adequate Assurance Package should be submitted in its own compiled PDF document.</p> <p>K. <b><u>As-Is, Where-Is.</u></b> Each Bid must include a written acknowledgement and representation that: (1) the Potential Bidder has had an opportunity to conduct due diligence regarding the Sale Transaction prior to making its offer; (2) the Potential Bidder has relied solely upon its own independent review, investigation, or inspection of any documents in making its Bid; (3) except as may be set forth in Definitive Sale Documents (as defined below) concerning such Bid, the Potential Bidder did not rely, and is not relying upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, by the Debtors or their advisors or other representatives regarding the Sale Transaction, the completeness of any information provided in connection therewith or the Auction, if any, or otherwise; and (4) the</p>

<u>Requirement</u>	<u>Description</u>
	<p>Potential Bidder did not engage in any collusive conduct and acted in good faith in submitting its Bid.</p> <p>L. <b><u>No Break-Up Fee or Reimbursement of Expenses.</u></b> Each Bid, with the exception of the Stalking Horse Bid, must expressly state and acknowledge that such Potential Bidder shall not be entitled to, and shall not seek, any transaction break-up fee, termination fee, expense reimbursement, working fee, or similar type of payment. Each Bid must expressly waive any claim or right to assert any substantial contribution administrative expense claim under section 503(b) of the Bankruptcy Code or the payment of any broker fees or costs in connection with bidding for any of the Assets and/or otherwise participating in the Auction or the sale process.</p> <p>M. <b><u>Transition Services.</u></b> Each Bid must state or otherwise estimate the types of transition services, if any, the Potential Bidder would require of and/or provide to the Debtors, including an estimate of the time any such transition services would be required of and/or provided to the Debtors, if the Potential Bidder's Bid were selected as the Winning Bid for the applicable Assets.</p> <p>N. <b><u>Commitment to Close.</u></b> Each Bid must include a commitment to close as soon as practicable and state the expected date of closing of the Sale Transaction, which for the avoidance of doubt must be either on or before the date specified in Section 1 of these Bidding Procedures.</p> <p>O. <b><u>Irrevocable Bid.</u></b> Each Bid must contain a statement by the applicable Potential Bidder acknowledging and agreeing that such Bid and each of its provisions is binding upon the Potential Bidder and irrevocable in all respects.</p> <p>P. <b><u>Compliance with Bidding Procedures.</u></b> Each Bid must contain a covenant that the applicable Potential Bidder will comply in all respects with the terms of these Bidding Procedures and the Bidding Procedures Order.</p> <p>Q. <b><u>Combination Bids.</u></b> For Bids that contemplate a purchase of multiple categories of Assets, each Bid must specify: (i) allocation of the Purchase Price across each Asset; (ii) for Bids that include unexpired leases specifically, the Purchase Price must be allocated across each individual property included in the Bid; and (iii) Bids must indicate whether the offer is on an "all or none" basis in the event that the Potential Bidder is outbid for certain Assets contemplated in the Bid.</p> <p>R. <b><u>Initial Assets Overbid.</u></b> Any incremental Bids that comply with the terms set forth in Section 10(ii) of these Bidding Procedures (each an "<u>Overbid</u>") regarding all or substantially all of the Assets must have a value to the Debtors, in the Debtors' exercise of their reasonable business judgment, after consultation with their advisors and the Consultation Parties that is at least the sum of (i) one hundred thousand United States dollar (\$100,000.00) more than the value offered under the Stalking Horse Agreement <i>plus</i> (ii) the Expense Reimbursement (the "<u>Initial Assets Overbid</u>").</p> <p>By submitting a Bid, each Potential Bidder is agreeing, and shall be deemed to have agreed, to abide by and honor the terms of these Bidding Procedures and to refrain from (A) submitting a Bid after conclusion of the Auction (if any) or (B) seeking to reopen the Auction (if any) once closed. <b>The submission of a Bid shall constitute a binding and</b></p>

<u>Requirement</u>	<u>Description</u>
	<b>irrevocable offer (a) for the Winning Bidder, until consummation of the proposed Sale Transaction, (b) for the Back-Up Bidder (if any), as provided in these Bidding Procedures, including Section 12 hereof, and (c) for any bidder other than the Winning Bidder, the Back-Up Bidder, or any Secured Party that submitted a Credit Bid, until two (2) business days after entry of the Court's order approving the Winning Bid and (if applicable) the Back-Up Bid for the applicable Assets (each, as applicable, a "<u>Sale Order</u>"), which shall be in form and substance reasonably acceptable to the Prepetition ABL Agent and the Prepetition FILO Agent, and each Bid must include a written acknowledgment and representation to such effect.</b>
<b>Bid Deadline</b>	<p>Any Bid for the Assets must be transmitted via email (in .pdf or similar format) to the Debtors and their advisors (as specified in Section 2 hereof) so as to be <b>actually received</b> by such parties on or before <b>February 12, 2025, by 5:00 p.m. (prevailing Eastern Time)</b> (the "<u>Bid Deadline</u>").</p> <p>The Debtors shall promptly provide the Consultation Parties copies of all Bids received by the Debtors, but in no event later than the next business day following receipt.</p>
<b>Qualified Bids &amp; Qualified Bidders</b>	<p>A Bid is a "<u>Qualified Bid</u>" if the Debtors, in their reasonable business judgment and in consultation with the Consultation Parties, determine that such Bid (A) satisfies the Bid Requirements set forth above and (B) is reasonably likely to be consummated if selected as the Winning Bid (or Back-Up Bid, as applicable) for the applicable Assets; <i>provided</i> that the Stalking Horse Bid shall constitute and be deemed a Qualified Bid and, for the avoidance of doubt, need not comply with each Bid Requirement. For the avoidance of doubt, Combination Bids may constitute a Qualified Bid.</p> <p>An Acceptable Bidder that submits a Qualified Bid is a "<u>Qualified Bidder</u>" with respect to the Assets to which such Qualified Bid relates; <i>provided</i> that the Stalking Horse Bidder shall constitute and be deemed a Qualified Bidder. To the extent that any Prepetition ABL and FILO Lender submits a Credit Bid in accordance with Section 9 herein, such bid shall be a Qualified Bid, and such Prepetition ABL and FILO Lender shall be a Qualified Bidder with respect to such Bid.</p> <p>As soon as reasonably practicable after the applicable Bid Deadline, the Debtors will notify each Acceptable Bidder whether such party is a Qualified Bidder and shall provide the Consultation Parties' counsel with a copy of each Qualified Bid. If an Acceptable Bidder's Bid is determined not to be a Qualified Bid, the Debtors will refund such Acceptable Bidder's Deposit (if any) on the date that is three business days after the Bid Deadline.</p> <p>Between the date that the Debtors notify an Acceptable Bidder that it is a Qualified Bidder and the date set for the Auction, the Debtors may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Without the prior written consent of the Debtors following consultation with the Consultation Parties, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase the Purchase Price, or otherwise improve the terms of, the Qualified Bid, during the period that such Qualified Bid remains binding as specified in these Bidding Procedures; <i>provided</i> that any Qualified Bid may be improved at the Auction (if any) as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.</p>

<u>Requirement</u>	<u>Description</u>
	<p>Notwithstanding anything herein to the contrary, the Debtors, in consultation with the Consultation Parties, reserve the right to work with (A) Potential Bidders and Acceptable Bidders to aggregate two or more Bids into a single consolidated Bid prior to the applicable Bid Deadline and (B) Qualified Bidders to aggregate two or more Qualified Bids into a single Qualified Bid prior to the conclusion of the Auction (if any). The Debtors, in consultation with the Consultation Parties, reserve the right to cooperate with any Acceptable Bidder to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. The Debtors, in consultation with the Consultation Parties, may accept a single Qualified Bid or multiple Bids that, if taken together in the aggregate, would otherwise meet the standards for a single Qualified Bid (in which event those multiple Qualified Bidders shall be treated as a single Qualified Bidder and their Bid a single Qualified Bid for purposes of the Auction (if any)).</p>
<b>Right To Credit Bid</b>	<p>Any Qualified Bidder that has a valid and perfected lien on any Assets of the Debtors' estates (a "<u>Secured Party</u>") shall be entitled to credit bid all or a portion of the face value of such Secured Party's claims against the Debtors toward the Purchase Price specified in such Qualified Bidder's Bid (a "<u>Credit Bid</u>"); <i>provided</i> that a Secured Party shall be entitled to credit bid its claim(s) only with respect to Assets that are subject to a valid and perfected lien in favor of such Secured Party as to such claim(s).</p>
<b>Auction</b>	<p>If the Debtors receive two or more Qualified Bids with respect to the same or overlapping Assets or group of Assets, the Debtors may, in consultation with the Consultation Parties, conduct an auction (the "<u>Auction</u>") to determine the Winning Bidder (or Back-Up Bidder, as applicable) with respect to such Assets. In such event, the Debtors will (A) notify all Qualified Bidders of the highest or otherwise best Qualified Bid with respect to the applicable Assets, as determined by the Debtors in their reasonable business judgment and in consultation with the Consultation Parties (each such Qualified Bid, a "<u>Baseline Bid</u>") and (B) provide copies of the documents setting forth the terms of the Baseline Bid(s) to all Qualified Bidders, in each case, as soon as reasonably practicable after the Bid Deadline and in any event no later than prior to the commencement of the Auction. The Debtors' determination of which Qualified Bid constitutes the Baseline Bid shall consider any factors the Debtors, in their reasonable business judgment and in consultation with the Consultation Parties, deem relevant to the value of the Qualified Bid to the Debtors' estates and the Debtors' patient care mandate and related regulatory requirements.</p> <p>If the Debtors, in consultation with the Consultation Parties, determine that they have received no Qualified Bids other than the Stalking Horse Bid or they have received only a single Qualified Bid, then the Auction will not occur, and the Stalking Horse Bid or the Qualified Bid will be deemed to be the Winning Bid(s) for the Assets to which the Stalking Horse Bid or Qualified Bid relates. If the Debtors make such a determination, the Debtors shall file a notice with the Court within one business day of making such determination.</p> <p>If the Debtors receive two or more Qualified Bids for the same Assets, an Auction may take place on or after <b>February 14, 2025</b>, at a time to be announced by the Debtors in consultation with the Consultation Parties, via remote video and/or in person at the Debtors' election, and shall be conducted in a timely fashion according to the procedures set forth below (the "<u>Auction Procedures</u>").</p> <p style="text-align: center;"><u>AUCTION PROCEDURES</u></p> <p>A. <b><u>The Debtors Shall Conduct the Auction; General Provisions.</u></b> The Debtors, with the assistance of their advisors, shall direct and preside over any Auction and shall</p>

<u>Requirement</u>	<u>Description</u>
	<p>consult with the Consultation Parties throughout the Auction process. At the commencement of the Auction, the Debtors, in consultation with the Consultation Parties (1) may announce procedural and related rules governing the Auction, including time periods available to all Qualified Bidders to submit any successive Bid(s) and (2) shall describe the terms of the Baseline Bid. Only incremental Bids that comply with the terms set forth in Section 10(ii) of these Bidding Procedures shall be considered Overbids. Overbids shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders. The Debtors, in consultation with the Consultation Parties, shall determine in their reasonable business judgment whether an incremental Bid is an Overbid. The Debtors shall maintain a written transcript of all Bids made and announced at the Auction, including the Baseline Bid, all Overbids, and the Winning Bid (or Back-Up Bid, as applicable) (as defined below).</p> <p>Only Qualified Bidders, the Debtors, the Consultation Parties and each of their respective legal and financial advisors, creditors in these chapter 11 cases, and any other parties specifically invited or permitted to attend by the Debtors, shall be entitled to attend the Auction, and the Qualified Bidders shall appear at the Auction in person and may speak or bid themselves or through duly authorized representatives. Except as otherwise permitted by the Debtors in consultation with the Consultation Parties, only Qualified Bidders shall be entitled to bid at the Auction.</p> <p>The Debtors and the Consultation Parties have the right to request any additional information that will allow the Debtors to make a reasonable determination as to a Qualified Bidder's financial and other capabilities to consummate the transactions contemplated by their proposal and any further information that the Debtors and the Consultation Parties believe is reasonably necessary to clarify and evaluate any Bid made by a Qualified Bidder during the Auction.</p> <p>The Debtors may, subject to Section 15 of these Bidding Procedures, and with the consent of the Prepetition ABL Agent and the Prepetition FILO Agent, announce at the Auction modified or additional procedures for conducting the Auction or otherwise modify these Bidding Procedures.</p> <p>B. <b><u>Terms of Overbids.</u></b> Each Overbid must comply with the following terms:</p> <ol style="list-style-type: none"> <li>1. <b><u>Minimum Overbid Increment.</u></b> At the commencement of the initial solicitation of Overbids, the Debtors, in consultation with the Consultation Parties, shall announce the minimum increment by which any Overbid must exceed the applicable Baseline Bid, which amount shall not be lower than one-hundred thousand United States Dollars (\$100,000); <i>provided</i> that the first Overbid with regard to the Assets shall be the Initial Assets Overbid. At the commencement of each subsequent round of solicitation of Overbids, the Debtors shall announce the minimum increment by which any Overbid must exceed the Prevailing Highest Bid (as defined below) at such time. The Debtors may, in their reasonable business judgment and in consultation with the Consultation Parties, announce increases or reductions to the applicable minimum Overbid increment at any time during the Auction.</li> </ol>

<u>Requirement</u>	<u>Description</u>
	<p>2. <b><u>Conclusion of Each Overbid Round.</u></b> Upon the solicitation of each round of Overbids, the Debtors may announce a deadline by which time any Overbids must be submitted to the Debtors (an “<u>Overbid Round Deadline</u>”); <i>provided</i> that the Debtors, in their reasonable business judgment and after consultation with the Consultation Parties, may extend any Overbid Round Deadline.</p> <p>3. <b><u>Overbid Alterations.</u></b> An Overbid may contain alterations, modifications, additions, or deletions of any terms of the Bid no less favorable in the aggregate to the Debtors’ estates than any prior Qualified Bid or Overbid, as determined in the Debtors’ reasonable business judgment and after consultation with the Consultation Parties, but shall otherwise comply with the terms of these Bidding Procedures.</p> <p>4. <b><u>Announcing Highest Bid.</u></b> Subsequent to each Overbid Round Deadline, the Debtors shall announce whether the Debtors, in consultation with the Consultation Parties, have identified an Overbid as being higher or otherwise better than, in the initial Overbid round, the Baseline Bid or, in subsequent rounds, the Overbid previously designated by the Debtors as the prevailing highest or otherwise best Bid (the “<u>Prevailing Highest Bid</u>”). The Debtors shall describe to all applicable Qualified Bidders the material terms of any new Overbid designated by the Debtors as the Prevailing Highest Bid, as well as the value attributable by the Debtors to such Prevailing Highest Bid.</p> <p>C. <b><u>Consideration of Overbids.</u></b> The Debtors reserve the right, in their reasonable business judgment and in consultation with the Consultation Parties, to adjourn the Auction one or more times, to, among other things (1) facilitate discussions between the Debtors and Qualified Bidders, (2) allow Qualified Bidders the opportunity to consider how they wish to proceed, and (3) provide Qualified Bidders the opportunity to provide the Debtors with such additional evidence as the Debtors, in their reasonable business judgment, may require, that the Qualified Bidder has sufficient internal resources or has received sufficient and sufficiently unconditional financing commitments to consummate the proposed Sale Transaction at the prevailing Overbid amount.</p> <p>D. <b><u>Closing the Auction.</u></b> The Auction shall continue until there is only one Qualified Bid for a particular group of Assets that the Debtors determine, in their reasonable business judgment and in consultation with the Consultation Parties, to be the highest or otherwise best Qualified Bid for the applicable assets. Such Qualified Bid shall be designated the “<u>Winning Bid</u>” (or Back-Up Bid, as applicable, and the Qualified Bidder who submitted the Winning Bid, the “<u>Winning Bidder</u>”) with respect to its proposed Acquired Assets, at which time the Auction with respect to such Assets shall be closed; <i>provided</i> that (1) such Auction shall not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an Overbid at the Auction to the then Prevailing Highest Bid; and (2) the Debtors’ designation of a Qualified Bid as a Winning Bid (or Back-Up Bid, as applicable) shall be subject to and conditioned on finalization of definitive documentation and the Court’s approval of such Winning Bid (or Back-Up Bid, as applicable), applicable regulatory and third-party approvals, and the consummation of the Sale Transaction contemplated thereby. As soon as reasonably practicable after the</p>

<u>Requirement</u>	<u>Description</u>
	<p>designation of a Winning Bid (or Back-Up Bid, as applicable), the Debtors, in consultation with the Consultation Parties, shall finalize definitive documentation to implement the terms of such Winning Bid (or Back-Up Bid, as applicable) and cause such definitive documentation to be filed with the Court.</p> <p>Notwithstanding anything to the contrary herein, the Debtors shall not, without the consent of the Prepetition ABL Agent and the Prepetition FILO Agent, select a Winning Bid unless such Winning Bid, either individually or in combination with other Winning Bids, as applicable, provides for the satisfaction of the “Obligations” under the ABL/FILO Credit Agreement and the Prepetition ABL/FILO Obligations (including the cash collateralization of all obligations related to letters of credit and contingent exposure, as applicable) to be Paid in Full (each as defined in the Cash Collateral Order) on the closing of the Sale Transaction</p> <p>E. <b>No Collusion; Good Faith Offer.</b> Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that (1) such Qualified Bidder has not engaged in any collusion with respect to the bidding process (2) such Qualified Bidders’ Qualified Bid is a good faith and irrevocable offer and such Qualified Bidder intends to consummate the Sale Transaction contemplated by its Qualified Bid if such Qualified Bid is the Winning Bid (or Back-Up Bid, as applicable) with respect to the applicable Acquired Assets, and (3) will serve as Back-Up Bid.</p> <p>F. <b>Rejection of Bids.</b> The Debtors, in their reasonable business judgment, in consultation with the Consultation Parties, may reject, at any time prior to the conclusion of the Auction, any Bid that the Debtors determine, after consultation with the Consultation Parties, is (1) inadequate or insufficient, (2) not in conformity with the requirements of the Bankruptcy Code and/or these Bidding Procedures, or (3) contrary to the best interests of the Debtors, their estates, their creditors, and other stakeholders.</p>
<b>Designation of a Back-Up Bidder</b>	<p>If for any reason the Winning Bidder fails to consummate the Qualified Bid within the time permitted after the entry of the Sale Order approving the Sale to the Winning Bidder, then the Qualified Bidder or Qualified Bidders with the next-highest or otherwise second-best Bid (each, a “<u>Back-Up Bidder</u>”), as determined by the Debtors after consultation with the Consultation Parties, and with the consent of the Prepetition ABL Agent and the Prepetition FILO Agent, at the conclusion of the Auction and announced at that time to all the Qualified Bidders participating therein and as set forth in the Sale Order, will automatically be deemed to have submitted the highest or otherwise best Bid or Bids (each, a “<u>Back-Up Bid</u>”), and the Debtors shall consummate the transaction pursuant to the Back-Up Bid as soon as is commercially reasonable without further order of the Bankruptcy Court upon at least twenty-four hours advance notice, which notice will be filed with the Court; <i>provided</i> that the forgoing shall not apply to any Potential Bidder that (1) both (a) qualifies as a Secured Party and (b) submits a Credit Bid; or (2) is the Stalking Horse Bidder.</p> <p>Upon designation of the Back-Up Bidder at the Auction, the Back-Up Bid must remain open and irrevocable until the earlier of (1) the closing of the transactions contemplated by the Winning Bid notwithstanding any outside date set forth in such Back-Up Bidder’s proposed purchase agreement and (2) the date that is four months following the conclusion of the Auction.</p>

<u>Requirement</u>	<u>Description</u>
<b>Fiduciary Out</b>	<p>Notwithstanding anything to the contrary in these Bidding Procedures or any document filed with or entered by the Court, nothing in these Bidding Procedures or the Bidding Procedures Order shall require a Debtor or its board of directors, board of managers, or similar governing body to take any action or to refrain from taking any action with respect to the Sale Transactions or these Bidding Procedures solely to the extent such Debtor or governing body determines in good faith, in consultation with counsel, that taking or failing to take such action, as applicable, would be inconsistent with applicable law or its fiduciary obligations under applicable law.</p> <p>Further, notwithstanding anything to the contrary in these Bidding Procedures or any document filed with or entered by the Court, until the entry of the Sale Order, the Debtors and their respective directors, managers, officers, employees, investment bankers, attorneys, accountants, consultants, and other advisors or representatives shall have the right to: (A) consider, respond to, and facilitate alternate proposals for sales or other transactions involving any or all of the Assets (each, an “<u>Alternate Proposal</u>”); (B) provide access to non-public information concerning the Debtors to any entity or enter into confidentiality agreements or nondisclosure agreements with any entity; (C) maintain or continue discussions or negotiations with respect to Alternate Proposals; (D) otherwise cooperate with, assist, participate in, or facilitate any inquiries, proposals, discussions, or negotiations of Alternate Proposals; and (E) enter into or continue discussions or negotiations with any person or entity regarding any Alternate Proposal.</p>
<b>“As Is, Where Is”</b>	<p>Consummation of the Sale Transactions will be on an “as is, where is” basis and without representations or warranties of any kind, nature, or description by the Debtors or their estates, except as specifically accepted and agreed to by the Debtors in the executed definitive written documentation for the Sale Transactions (the “<u>Definitive Sale Documents</u>”). Unless otherwise specifically accepted and agreed to by the Debtors in Definitive Sale Documents, all of the Debtors’ right, title, and interest in and to the Assets disposed of in the Sale Transaction will be transferred to the Winning Bidder (or Back-Up Bidder, as applicable) free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests in accordance with sections 363(f) of the Bankruptcy Code and subject to the terms and conditions of the Cash Collateral Order.</p> <p>By submitting a Bid, each bidder will be deemed to acknowledge and represent that it (A) has had an opportunity to conduct adequate due diligence regarding the Debtors and the proposed Sale Transaction prior to making its Bid, (B) has relied solely on its own independent review, investigation, and inspection of any document, including executory contracts and unexpired leases, in making its Bid, and (C) did not rely on or receive from any person or entity (including any of the Debtors or their advisors or other representatives) any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, with respect to the Sale Transaction or the completeness of any information provided in connection with the Sale Transaction or the Auction (if any), except as may be set forth in Definitive Sale Documents</p>

<u>Requirement</u>	<u>Description</u>
<b>Commissions</b>	The Debtors shall be under no obligation to pay any commissions, fees, or expenses to any Potential Bidder's agent, advisor, or broker. All commissions, fees, or expenses for any such agents, advisors, or brokers shall be paid by the applicable Potential Bidder at such Potential Bidder's discretion. In no case shall any commissions, fees, or expenses for any Potential Bidder's agent, advisor, or broker be deducted from any proceeds derived from any Sale of the Assets.
<b>Reservation of Rights</b>	<p>The Debtors may, in consultation with the Consultation Parties, be entitled to modify these Bidding Procedures in their reasonable business judgment in consultation with the Consultation Parties in any manner that will best promote the goals of these Bidding Procedures, or impose, at or prior to the Auction (if any), additional customary terms and conditions on a Sale Transaction, including: (A) extending the deadlines set forth in these Bidding Procedures; (B) adjourning the Auction at the Auction; (C) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction (if any); (D) canceling the Auction; and (E) rejecting any or all Bids or Qualified Bids. All such modifications and additional rules will be communicated to each of the Consultation Parties, Potential Bidders, and Qualified Bidders; <i>provided</i> that, to the extent such modifications occur at the Auction, disclosure of such modifications is limited to those in attendance at the Auction; <i>provided, further</i> that (i) the Debtors shall not amend these Bidding Procedures, the Bidding Procedures Order, or the bidding process to modify their obligations to consult with the Prepetition ABL Agent or the Prepetition FILO Agent without the consent of such parties or further order of the Bankruptcy Court, (ii) any extension of the deadlines set forth in these Bidding Procedures that breaches a Milestone set forth in the Cash Collateral Order shall require the consent of the Prepetition ABL Agent and the Prepetition FILO Agent, and (iii) without the consent of the Prepetition ABL Agent or the Prepetition FILO Agent, the Debtors shall not adopt new rules, procedures, or deadlines, or otherwise modify these Bidding Procedures or the Bidding Procedures Order in a manner that alters, limits, or imposes additional burdens on the rights of the Prepetition ABL Agent or the Prepetition FILO Agent, including (x) requiring the Prepetition ABL Agent or the Prepetition FILO Agent to include a deposit as part of a Credit Bid or (y) imposing additional conditions on their rights to Credit Bid or to be deemed a Qualified Bidder (and their Bids deemed Qualified Bids).</p> <p>Notwithstanding anything to the contrary in these Bidding Procedures or the Bidding Procedures Order, the rights of the Prepetition ABL Agent and the Prepetition FILO Agent under the Cash Collateral Order (and the Intercreditor Agreements referenced therein) to consent to the Sale (and any terms and conditions thereof) of any portion of their collateral, including, without limitation, any Assets, are expressly preserved and not waived or impaired by these Bidding Procedures or the Bidding Procedures Order. For the avoidance of doubt, nothing in these Bidding Procedures or the Bidding Procedures Order shall amend or impair any provision of the Cash Collateral Order (including the Milestones therein) or the rights of the Prepetition ABL Agent and the Prepetition FILO Agent thereunder.</p> <p>Each reference in these Bidding Procedures and the Bidding Procedures Order to "consultation" (or similar phrase) with the Consultation Parties shall mean consultation in good faith.</p>

<u>Requirement</u>	<u>Description</u>
<b>Consent to Jurisdiction</b>	All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction or the construction and enforcement of these Bidding Procedures.
<b>Sale Hearing</b>	The Court shall hold a hearing to consider approval of the Winning Bid(s) (and Back-Up Bid(s), as applicable) and the Sale Transactions contemplated thereby (the “ <u>Sale Hearing</u> ”). <b>If there is not an Auction, the Sale Hearing shall be held on February 14, 2025, subject to the availability of the Court. If there is an Auction, the Sale Hearing shall be held on February 22, 2025, subject to the availability of the Court. The Sale Hearing may be continued to a later date by the Debtors, in consultation with the Consultation Parties, by sending written notice to all Qualified Bidders and Consultation Parties prior to, or by making an announcement at, the Sale Hearing. No further notice of any such continuance will be required to be provided to any bidder or other party.</b>
<b>Return of Deposit</b>	Any Deposits provided by Qualified Bidders shall be held in one or more escrow accounts on terms acceptable to the Debtors. Any such Deposits will be returned to Qualified Bidders that are not Winning Bidders (or Back-Up Bidders, as applicable) on the date that is three business days after the Auction (if any). Any Deposit provided by a Winning Bidder (or Back-Up Bidder, as applicable) shall be applied to the Purchase Price of the applicable Sale Transaction at closing.  If a Winning Bidder (or Back-Up Bidder, as applicable) fails to consummate the Sale Transaction contemplated by its Winning Bid (or Back-Up Bid, as applicable) because of a breach by such Winning Bidder (or Back-Up Bidder, as applicable), the Debtors will not have any obligation to return any Deposit provided by such Winning Bidder (or Back-Up Bidder, as applicable), which may be retained by the Debtors as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtors and their estates.

21. Importantly, the Bidding Procedures recognize and comply with the Debtors’ fiduciary obligations to maximize sale value, and, as such, do not impair the Debtors’ ability to consider all qualified bid proposals and, as noted, preserve the Debtors’ right to modify the Bidding Procedures as necessary or appropriate to maximize value for the Debtors’ estates.

**A. Form and Manner of Sale Notice.**

22. As soon as reasonably practicable after entry of the Bidding Procedures Order, the Debtors will cause the Sale Notice, substantially in the form attached as Exhibit 3 to the Bidding Procedures Order, to be served (including by e-mail, where applicable) on the following parties or their respective counsel, if known: (a) the Notice Parties (as defined below); (b) counsel to the

Stalking Horse Bidder; (c) all parties to executory contracts and leases to be assumed and assigned as part of a proposed Sale Transaction; (d) all parties who have expressed a written interest in the Assets; (e) all known holders of liens, encumbrances, and other claims secured by the Assets; (f) the Internal Revenue Service; (g) all applicable state and local taxing authorities; (h) each governmental agency that is an interested party with respect to a Sale Transaction; (i) all known holders of liens, encumbrances, and other claims secured by Assets; and (j) all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002 and Local Rule 2002-1.

23. In addition, as soon as reasonably practicable after entry of the Bidding Procedures Order, the Debtors will provide notice of the Auction, if any, and the Sale Hearing through the publication of the Sale Notice on the website of the Debtors' proposed noticing and claims agent to be retained in the chapter 11 cases, Kroll Restructuring Administration LLC, at <https://cases.ra.kroll.com/Joann2025> (the "Case Website") and will also publish the Sale Notice, with any modifications necessary for ease of publication (the "Publication Notice"), once in *The New York Times* (national edition) to provide notice to any other potential interested parties.

24. The Debtors respectfully submit that the Sale Notice and Publication Notice are reasonably calculated to provide interested parties with timely and proper notice of the proposed Sale Transactions and Sale Hearing and an opportunity to respond accordingly.

**B. Summary of the Assumption and Assignment Procedures.**

25. The Debtors seek entry of the Assumption and Assignment Procedures to facilitate the fair and orderly assumption and assignment of the Assigned Contracts in connection with the Sale Transactions. Because the Cure Notice, attached as Exhibit 5 to the Bidding Procedures Order, sets forth the Assumption and Assignment Procedures in detail, they are not restated herein.

Generally, however, the Assumption and Assignment Procedures: (a) outline the process by which the Debtors will serve notice to all counterparties to the Assigned Contracts regarding the proposed assumption and assignment and related cure amounts, if any, informing such parties of their right and the procedures to object thereto and (b) establish objection and other relevant deadlines and the manner for resolving disputes relating to the assumption and assignment of the Assigned Contracts to the extent necessary.

### **Basis for Relief**

**I. The Relief Sought in the Bidding Procedures Order Is in the Best Interests of the Debtors' Estates and Should Be Approved.**

26. Courts have made clear that a debtor's business judgment is entitled to substantial deference with respect to the procedures to be used in selling an estate's assets. *See, e.g., In re Culp*, 550 B.R. 683, 697 (D. Del. 2015) ("In determining whether to authorize use, sale or lease of property of the estate under Section 363, courts require the [Debtor] to show that a sound business purpose justifies such actions. If the [Debtor's] decision evidences a sound business purpose, then the Bankruptcy Court should approve the sale.") (quoting *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999)); *In re Schipper*, 933 F.2d 513, 515 (7th Cir. 1991) ("Under Section 363, the debtor in possession can sell property of the estate . . . if he has an 'articulated business justification[.]'" (citation omitted)); *In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996) (citing *Schipper*, 933 F.2d at 515); *see also In re Integrated Res., Inc.*, 147 B.R. 650, 656–57 (S.D.N.Y. 1992) (noting that bidding procedures that have been negotiated by a trustee are to be reviewed according to the deferential "business judgment" standard, under which such procedures and arrangements are "presumptively valid").

27. The paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate. *See In re Adams Res. Expl. Corp.*, No. 17-10866, 2017 WL

5484017, at \*3 (Bankr. D. Del. Sept. 20, 2017) (“The relief requested in the Sale Motion . . . is a necessary and appropriate step toward enabling the Debtor to maximize the value of its bankruptcy estate, and it is in the best interests of the Debtor, its estate and its creditors.”); *In re Mushroom Transp. Co.*, 382 F.3d 325, 339 (3d Cir. 2004) (debtor in possession “had a fiduciary duty to protect and maximize the estate’s assets”); *In re Edwards*, 228 B.R. 552, 561 (Bankr. E.D. Pa. 1998) (“The purpose of procedural bidding orders is to facilitate an open and fair public sale designed to maximize value for the estate.”); *In re Food Barn Stores, Inc.*, 107 F.3d 558, 564–65 (8th Cir. 1997) (noting that in bankruptcy sales, “a primary objective of the [Bankruptcy] Code [is] to enhance the value of the estate at hand”); *Integrated Res.*, 147 B.R. at 659 (“It is a well-established principle of bankruptcy law that the objective of bankruptcy rules and the Debtor’s duty with respect to such sales is to obtain the highest price or greatest overall benefit possible for the estate.”) (citation omitted).

28. To that end, courts uniformly recognize that procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value received by the estate and therefore are appropriate in the context of bankruptcy transactions. *See, e.g., In re Dura Auto, Sys.*, No. 06-11202, 2007 WL 7728109, at \*90 (Bankr. D. Del. Aug. 15, 2007) (stating that bidding procedures “enhanc[ing] competitive bidding are consistent with the goal of maximizing the value received by the estate and therefore are appropriate in the context of bankruptcy sales”); *Integrated Res.*, 147 B.R. at 659 (noting that bidding procedures “are important tools to encourage bidding and to maximize the value of the debtor’s assets”); *In re Fin. News Network, Inc.*, 126 B.R. 152, 156 (Bankr. S.D.N.Y. 1991) (“[C]ourt-imposed rules for the disposition of assets . . . [should] provide an adequate basis for comparison of offers, and [should] provide for a fair and efficient resolution of bankrupt estates.”).

29. The Debtors believe that the proposed Bidding Procedures will promote active bidding from seriously interested parties and will elicit the highest or otherwise best offers available for the Assets. The proposed Bidding Procedures will allow the Debtors to conduct the Sale Transactions in a controlled, fair, and open fashion that will encourage participation by financially capable bidders who will offer the best package for the Debtors' Assets and who can demonstrate the ability to close a transaction. Specifically, the Bidding Procedures contemplate an open auction process with minimal barriers to entry and provide potential bidding parties with sufficient time to perform due diligence and acquire the information necessary to submit a timely and well-informed bid.

30. At the same time, the Bidding Procedures provide the Debtors with a robust opportunity to consider competing bids and select the highest or otherwise best offer for the completion of the Sale Transactions. In addition, entry into the Stalking Horse Agreement will further ensure that the Debtors obtain fair market value by setting a minimum purchase price for the Debtors' Assets that will be tested in the marketplace. As such, creditors of the Debtors' estates can be assured that the consideration obtained will be fair and reasonable and at or above market.

31. Accordingly, for all of the foregoing reasons, the Debtors believe that the Bidding Procedures will encourage robust bidding for the Assets, are appropriate under the relevant standards governing auction proceedings and bidding incentives in bankruptcy proceedings, and are consistent with other procedures previously approved by courts in this District. *See, e.g., In re Am. Tire Distrbs., Inc., No. 24-12391 (CTG) (Bankr. D. Del. Nov. 26, 2024)* (approving similar auction proceedings); *In re SunPower Corp., No. 24-11649 (CTG) (Bankr. D. Del. Aug. 29, 2024) (same); In re Vyaire Med., Inc., No. 24-11217 (BLS) (Bankr. D. Del. July 11,*

2024) (same); *In re Sientra, Inc.*, No. 24-10245 (JTD) (Bankr. D. Del. Mar. 5, 2024) (same); *In re MVK FarmCo LLC*, No. 23-11721 (LSS) (Bankr. D. Del. Nov. 17, 2023) (same).<sup>7</sup>

**A. The Form and Manner of Service of the Sale Notice Should Be Approved.**

32. Pursuant to Bankruptcy Rule 2002(a), the Debtors are required to provide creditors with twenty-one days' notice of the Sale Hearing. Pursuant to Bankruptcy Rule 2002(c), such notice must include the time and place of the Auction (if any) and the Sale Hearing and the deadline for filing any objections to the relief requested herein.

33. As noted above, as soon as reasonably practicable following entry of the Bidding Procedures Order, the Debtors will serve the Sale Notice upon the following parties or their respective counsel, if known: (a) the Notice Parties (as defined below); (b) counsel to the Stalking Horse Bidder; (c) all parties to executory contracts and leases to be assumed and assigned as part of a proposed Sale Transaction; (d) all parties who have expressed a written interest in the Assets; (e) all known holders of liens, encumbrances, and other claims secured by the Debtors' assets; (f) the Internal Revenue Service; (g) all applicable state and local taxing authorities; (h) each governmental agency that is an interested party with respect to a Sale Transaction; (i) all known creditors of the Debtors; and (j) all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002 and Local Rule 2002-1(b).

34. In addition, as soon as reasonably practicable following entry of the Bidding Procedures Order, the Debtors will provide notice of the Sale Hearing through the publication of the Sale Notice on the Case Website and will also publish the Publication Notice once in *The New*

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<sup>7</sup> Because of the voluminous nature of the orders cited herein, such orders have not been attached to this motion. Copies of these orders are available upon request of the Debtors' proposed counsel.

*York Times* (national edition) to provide notice to any other potential interested parties in accordance with Bankruptcy Rule 9008.

35. The Debtors submit that notice of this motion and the related hearing to consider entry of the Bidding Procedures Order, coupled with service of the Sale Notice, the Publication Notice, and the Cure Notice as provided for herein, constitutes good and adequate notice of the Sale Transactions and any proceedings with respect thereto in compliance with, and satisfaction of, the applicable requirements of Bankruptcy Rules 2002 and 6004. Accordingly, the Debtors request that this Court approve the form and manner of the Sale Notice and Cure Notice.

**B. The Expense Reimbursement Has a Sound Business Purpose and Should Be Approved.**

36. With respect to the Stalking Horse Bidder and the purchase and sale of the Assets, the Debtors request approval to offer the Expense Reimbursement, which is customary for transactions of this type. As discussed above, the Expense Reimbursement comprises reimbursement (a) up to five hundred thousand dollars (\$500,000) for reasonable out-of-pocket expenses and (b) up to one million, six hundred thousand dollars (\$1,600,000), reasonable costs incurred to acquire signage for “going out of business” sales.

37. The use of a stalking horse in a public auction process for the sale of a debtor’s assets is a customary practice in chapter 11 cases, as the use of a stalking horse bid is, in many circumstances, the best way to maximize value in an auction process by “establish[ing] a framework for competitive bidding and facilitat[ing] a realization of that value.” *Off. Comm. Of Unsecured Creditors v. Interforum Holding, LLC*, No. 11-CV-219, 2011 WL 2671254, at \*1 (E.D. Wis. July 7, 2011).

38. Generally, stalking horse expense reimbursements are a normal, and, in many cases, necessary component of significant sales conducted under section 363 of the Bankruptcy Code.

For example, courts have found that because a “corporation [has] a duty to encourage bidding, [bid protections] can be **necessary** to discharge [such] duties to maximize value. . . . [Expense reimbursements] may be legitimately necessary to convince a white knight to enter the bidding by providing some form of compensation for the risks it is undertaking.” *In re Integrated Res., Inc.*, 147 B.R. at 660-61 (emphasis added) (internal quotation marks omitted). As a result, courts routinely approve such expense reimbursements in connection with proposed bankruptcy sales where a proposed reimbursement provides a benefit to the estate. *See In re Energy Future Holdings Corp.*, 904 F.3d 298, 313 (3d Cir. 2018) (holding that “the allowability of [bid protections] . . . depends upon the requesting party’s ability to show that the fees [a]re actually necessary to preserve the value of the estate”) (internal quotations omitted); *In re Reliant Energy Channelview LP*, 594 F.3d 200, 206 (3d Cir. 2010); *In re O’Brien Env’t Energy, Inc.*, 181 F.3d 527, 533 (3d Cir. 1999); *In re Women First Healthcare, Inc.*, 332 B.R. 115, 121–23 (Bankr. D. Del. 2005). The Debtors believe that the allowance of the Expense Reimbursement is in the best interests of their estates and their creditors, as the Stalking Horse Bidder will establish a floor for further bidding that may increase the consideration given in exchange for the Assets for the benefit of the Debtors’ estates.

39. In the Third Circuit, expense reimbursements, such as those proposed here, are subject to the general standard used for administrative expenses under section 503 of the Bankruptcy Code. *Energy Future*, 904 F.3d at 313 (“[T]ermination fees are subject to the same general standard used for all administrative expenses under 11 U.S.C. § 503.”); *Women First Healthcare, Inc.*, 332 B.R. at 121–23 (holding that the general standard used for all administrative expenses applies to expense reimbursements). Thus, the allowability of expense reimbursements, “like that of other administrative expenses, depends upon the requesting party’s ability to show

that the fees were actually necessary to preserve the value of the estate.” *Reliant Energy*, 594 F.3d at 206 (internal quotations omitted) (quoting *O'Brien*, 181 F.3d at 535).

40. Similar expense reimbursements have been approved by this Court. *See, e.g.*, *In re Am. Tire Distrib., Inc.*, No. 24-12391 (CTG) (Bankr. D. Del. Nov. 26, 2024) (authorizing a break-up fee and expense reimbursement up to 4% of the purchase price); *In re SunPower Corp.*, No. 24-11649 (CTG) (Bankr. D. Del. Aug. 29, 2024) (authorizing expense reimbursement of \$550,000); *In re Vyaire Med., Inc.*, No. 24-11217 (BLS) (Bankr. D. Del. July 11, 2024) (authorizing stalking horse break-up fee of 3% and expense reimbursement of \$250,000); *In re Sientra, Inc.*, No. 24-10245 (JTD) (Bankr. D. Del. Mar. 5, 2024) (authorizing stalking horse break-up fee of 3% and expense reimbursement of \$500,000); *In re MVK FarmCo LLC*, No. 23-11721 (LSS) (Bankr. D. Del. Nov. 17, 2023) (authorizing stalking horse break-up fee of 3% inclusive of expense reimbursement).<sup>8</sup> Accordingly, for the reasons set forth above, the Debtors respectfully request that the Court grant the Debtors the authority and direction to incur and pay the Expense Reimbursement to the Stalking Horse Bidder.

**C. The Assumption and Assignment Procedures Are Appropriate and Should Be Approved.**

41. As set forth above, the Sale Transactions may contemplate the assumption and assignment of contracts to the Winning Bidder(s) arising from the Auction, if any. In connection with this process, the Debtors believe it is necessary to establish the Assumption and Assignment Procedures by which: (a) the Debtors and contract counterparties can reconcile cure obligations, if any, in accordance with section 365 of the Bankruptcy Code; and (b) such counterparties can object to the assumption and assignment of contracts and/or related cure amounts.

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<sup>8</sup> Because of the voluminous nature of the orders cited herein, such orders have not been attached to this motion. Copies of these orders are available upon request of the Debtors’ proposed counsel.

42. As set forth in the Bidding Procedures Order, the Debtors also request that any party that fails to object to the proposed assumption and assignment of any contract be deemed to consent to the assumption and assignment of the applicable contract pursuant to section 365 of the Bankruptcy Code on the terms set forth in the Sale Order, along with the cure amounts identified in the contract notice. *See, e.g., In re Boy Scouts of Am.*, 642 BR 504, 569 (Bankr. D. Del. 2022) (“The lack of objection of a [creditor] is also consensual for purposes of § 363 and, again, permissible under § 363(f)(2).”); *In re Tabone, Inc.*, 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (same); *Pelican Homestead v. Wooten (In re Gabel)*, 61 B.R. 661, 667 (Bankr. W.D. La. 1985) (same).

43. The Debtors believe that the Assumption and Assignment Procedures are fair and reasonable, provide sufficient notice to parties to the executory contracts and leases, and provide certainty to all parties in interest regarding their obligations and rights in respect thereof. Accordingly, the Debtors request that the Court approve the Assumption and Assignment Procedures set forth in the Bidding Procedures Order.

**D. The Sale Transactions Should Be Approved as an Exercise of Sound Business Judgment.**

44. Section 363(b)(1) of the Bankruptcy Code provides that a debtor, “after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). The sale of a debtor’s assets should be authorized pursuant to section 363 of the Bankruptcy Code if a sound business purpose exists for the proposed transaction. *See, e.g., Schipper*, 933 F.2d at 515 (“Under Section 363, the debtor in possession can sell property of the estate . . . if he has an ‘articulated business justification’ . . . .”); *see also Martin*, 91 F.3d at 395 (same); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*,

722 F.2d 1063, 1070 (2d Cir. 1983) (same); *In re Telesphere Commc's, Inc.*, 179 B.R. 544, 552 (Bankr. N.D. Ill. 1999) (same).

45. Once the Debtors articulate a valid business justification, the business judgment rule “is a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith, and in the honest belief that the action taken was in the best interests of the company.” *In re S.N.A. Nut Co.*, 186 B.R. 98, 102 (Bankr. N.D. Ill. 1995) (citation omitted); *In re Filene's Basement, LLC*, No. 11-13511, 2014 WL 1713416, at \*12 (Bankr. D. Del. Apr. 29, 2014) (“If a valid business justification exists, then a strong presumption follows that the agreement at issue was negotiated in good faith and is in the best interests of the estate.”) (citing *Martin*, 91 F.3d at 394.); *In re Johns-Manville Corp.*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986) (“[A] presumption of reasonableness attaches to a debtor’s management decisions.”).

### **1. A Sound Business Purpose Exists for the Sale Transactions.**

46. The Debtors believe that the Sale Transactions will maximize the value of their Assets after exposing them to the market as part of a competitive, arm’s length process. Consequently, after being subject to a “market check” in the form of the Auction, the bid that is ultimately successful will constitute, in the Debtors’ reasonable business judgment, the highest or otherwise best offer for the Assets and will provide a greater recovery for their estates than any known or practicably available alternative. *See, e.g., In re Trans World Airlines, Inc.*, No. 01-00056, 2001 WL 1820326, at \*4 (Bankr. D. Del. 2001) (stating that while a “section 363(b) sale transaction does not require an auction procedure, [t]he auction procedure has developed over the years as an effective means for producing an arm’s length fair value transaction”).

47. Thus, the Debtors submit that the Winning Bid(s) will constitute the highest or otherwise best offer for the Assets and will provide a greater recovery for the Debtors' estates than would be provided by any other available alternative. As such, the Debtors' determination to sell the Assets through an auction process and subsequently to enter into an agency agreement or purchase agreement, as applicable, with the Winning Bidder(s), will be a valid and sound exercise of the Debtors' business judgment. Therefore, the Debtors request that the Court make a finding that the proposed sale of the Assets is a proper exercise of the Debtors' business judgment and is rightly authorized.

48. The Debtors have demonstrated that a sound business purpose exists for the sale free and clear of all encumbrances, due and adequate notice will be provided, the purchase price reflects fair value, and the Sale Transactions have been proposed in good faith without collusion or undue influence. The Debtors reserve the right to submit supplemental materials, including declarations, in connection with the Sale Transactions.

**2. Adequate and Reasonable Notice of the Sale Transactions Will Be Provided.**

49. The Sale Notice: (a) will be served in a manner that provides parties in interest notice of the date, time, and location of the Auction, if any, and the Sale Hearing; (b) informs parties in interest of the deadlines for objecting to the Sale Transactions or the assumption and assignment of contracts; and (c) otherwise includes all information relevant to parties interested in or affected by the Sale Transactions. Significantly, the form and manner of the Sale Notice will have been approved by this Court pursuant to the Bidding Procedures Order after notice and a hearing before it is served on parties in interest.

**3. The Sale Transactions and Purchase Price Will Reflect a Fair Value Transaction.**

50. It is well-settled that, where there is a court-approved auction process, a full and fair price is presumed to have been obtained for the assets sold, as “the best way to determine value is exposure to the market.” *Bank of Am. Nat'l Trust & Sav. Ass'n. v. 203 N. LaSalle St. P'ship*, 526 U.S. 434, 457 (1999); *Trans World Airlines*, at \*4 (Bankr. D. Del. 2001).

51. As described herein, prior to the Bid Deadline, Centerview will continue to market the Assets in order to solicit other offers consistent with the Bidding Procedures. For example, Centerview may contact presumably interested parties as well as previously solicited parties, continue to provide acceptable bidders with data room access and requested information, consider a variety of alternative transaction structures, and otherwise assist the Debtors with all efforts to increase transaction value. In this way, the number of bidders that are eligible to participate in a competitive Auction process will be maximized.

**4. The Bidding Procedures Ensure that the Sale Transactions Will Be Proposed in Good Faith and Without Collusion, and the Stalking Horse Bidder(s) or Winning Bidder(s) Will Be “Good-Faith Purchasers.”**

52. The Debtors request that the Court find the Winning Bidder(s) (including, for the avoidance of doubt, the Stalking Horse Bidder whose bid is the Winning Bid), arising from the Auction, if any, are entitled to the benefits and protections provided by section 363(m) of the Bankruptcy Code in connection with the sale of the assets.

53. Section 363(m) of the Bankruptcy Code provides in pertinent part:

[t]he reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease or property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. § 363(m).

54. Section 363(m) of the Bankruptcy Code thus protects the purchaser of assets sold pursuant to section 363 of the Bankruptcy Code from the risk that it will lose its interest in the purchased assets if the order allowing the sale is reversed on appeal, as long as such purchaser leased or purchased the assets in “good faith.” While the Bankruptcy Code does not define “good faith,” courts have held that a purchaser shows its good faith through the integrity of its conduct during the course of the sale proceedings, finding that where there is a lack of such integrity, a good-faith finding may not be made. *See, e.g., In re Abbotts Dairies of Pa., Inc.*, 788 F.2d 143, 147 (3d Cir. 1986) (“Typically, the misconduct that would destroy a [buyer’s] good faith status at a judicial sale involves fraud, collusion between the [proposed buyer] and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.” (citation omitted)); *In the Matter of Andy Frain Servs., Inc.*, 798 F.2d 1113, 1125 (7th Cir. 1986) (“The requirement that a purchaser act in good faith [] speaks to the integrity of his conduct in the course of the sale proceedings.” (citation omitted)); *In re Sasson Jeans, Inc.*, 90 B.R. 608, 610 (S.D.N.Y. 1988) (same).

55. Accordingly, the Debtors believe that the Winning Bidder(s) arising from the Auction, if any, should be entitled to the full protections of section 363(m) of the Bankruptcy Code.

**5. The Sale Transactions Should Be Approved “Free and Clear” Under Section 363(f).**

56. Section 363(f) of the Bankruptcy Code permits a debtor to sell property free and clear of another party’s interest in the property if: (a) applicable nonbankruptcy law permits such a free and clear sale; (b) the holder of the interest consents; (c) the interest is a lien and the sale price of the property exceeds the value of all liens on the property; (d) the interest is the subject of

a bona fide dispute; or (e) the holder of the interest could be compelled in a legal or equitable proceeding to accept a monetary satisfaction of its interest. *See 11 U.S.C. § 363(f).*

57. Section 363(f) of the Bankruptcy Code is drafted in the disjunctive. Thus, satisfaction of any of the requirements enumerated therein will suffice to warrant the Debtors' sale of the assets free and clear of all interests (*i.e.*, all liens, claims, rights, interests, pledges, obligations, restrictions, limitations, charges, or encumbrances), except with respect to any interests that may constitute an assumed liability under the applicable agency agreement or purchase agreement. *See In re Kellstrom Indus., Inc.*, 282 B.R. 787, 793 (Bankr. D. Del. 2002) ("[I]f any of the five conditions are met, the debtor has the authority to conduct the sale free and clear of all liens.").

58. The Debtors submit that any interest that will not be an assumed liability satisfies or will satisfy at least one of the five conditions of section 363(f) of the Bankruptcy Code, and that any such interest will be adequately protected by either being paid in full at the time of closing, or by having it attach to the net proceeds of the Sale Transactions, subject to any claims and defenses the Debtors may possess with respect thereto. The Debtors accordingly request authority to convey the assets to the Winning Bidder(s) arising from the Auction, if any, free and clear of all liens, claims, rights, interests, pledges, obligations, restrictions, limitations, charges, or encumbrances, with any such liens, claims, rights, interests, pledges, obligations, restrictions, limitations, charges, or encumbrances to attach to the proceeds of the Sale Transactions.

**6. Credit Bidding Should Be Authorized Under Section 363(k) of the Bankruptcy Code.**

59. A secured creditor is allowed to "credit bid" the amount of its claim in a sale. Section 363(k) of the Bankruptcy Code provides, in relevant part, that unless the court for cause orders otherwise, the holder of a claim secured by property that is the subject of the sale "may bid

at such sale, and, if the holder of such claim purchases such property, such holder may offset such claim against the purchase price of such property.” 11 U.S.C. § 363(k). Even if a secured creditor is undersecured as determined in accordance with section 506(a) of the Bankruptcy Code, section 363(k) of the Bankruptcy Code allows such secured creditor to bid the total face value of its claim and does not limit the credit bid to the claim’s economic value. *In re Submicron Sys. Corp.*, 432 F.3d 448, 459–60 (3d Cir. 2006) (“It is well settled among district court and bankruptcy courts that creditors can bid the full face value of their secured claims under section 363(k).”).

60. In this district, absent cause for restricting credit bidding, courts have consistently ruled in favor of reserving a secured creditor’s right to credit bid its claim. *See, e.g., In re Am. Tire Distrib., Inc.*, No. 24-12391 (CTG) (Bankr. D. Del. Nov. 26, 2024) (approving bid procedures which authorized parties with secured claims to credit bid); *In re SunPower Corp.*, No. 24-11649 (CTG) (Bankr. D. Del. Aug. 29, 2024) (same); *In re Sientra, Inc.*, No. 24-10245 (JTD) (Bankr. D. Del. Mar. 5, 2024) (same); *In re MVK FarmCo LLC*, No. 23-11721 (LSS) (Bankr. D. Del. Nov. 17, 2023) (same); *In re Yellow Corp.*, No. 23-11069 (CTG) (Bankr. D. Del. Sept. 15, 2023) (same).<sup>9</sup>

61. Accordingly, the Debtors’ prepetition secured lenders should be entitled to credit bid some or all of the claims secured by their collateral pursuant to section 363(k) of the Bankruptcy Code.

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<sup>9</sup> Because of the voluminous nature of the orders cited herein, such orders have not been attached to this motion. Copies of these orders are available upon request of the Debtors’ proposed counsel.

**7. The Assumption and Assignment of Contracts Reflects the Debtors' Reasonable Business Judgment.**

62. To facilitate and effectuate the sale of the Assets, the Debtors seek authority to assign or transfer executory contracts to the Winning Bidder(s) arising from the Auction, if any, to the extent required by such bidders.

63. Section 365 of the Bankruptcy Code authorizes a debtor to assume and/or assign their executory contracts and unexpired leases, subject to the approval of the court, provided that the defaults under such contracts and leases are cured and adequate assurance of future performance is provided. The Debtors' decision to assume or reject an executory contract or unexpired lease must only satisfy the "business judgment rule" and will not be subject to review unless such decision is clearly an unreasonable exercise of such judgment. *See, e.g., Grp. of Inst'l Invrs. v. Chi., Milwaukee, St. Paul & Pac. R.R. Co.*, 318 U.S. 523 (1943) (applying Bankruptcy Act section 77(b), predecessor to Bankruptcy Code section 365, and rejecting test of whether executory contract was burdensome in favor of whether rejection is within debtor's business judgment); *Sharon Steel Corp. v. Nat'l Fuel Gas Distrib. Corp.*, 872 F.2d 36, 40 (3d Cir. 1989) (describing deference to a debtor's business judgment as "breathing space afforded [to] the debtor to consider whether to reject or assume executory contracts under the [Bankruptcy] Code"); *In re Exide Techs.*, 340 B.R. 222, 239 (Bankr. D. Del. 2006) ("The propriety of a decision to reject an executory contract is governed by the business judgment standard."); *In re Network Access Sols., Corp.*, 330 B.R. 67, 75 (Bankr. D. Del. 2005) ("The standard for approving the assumption of an executory contract is the business judgment rule.").

64. Here, the Court should approve the decision to assume and assign the Assigned Contracts in connection with the Sale Transactions as a sound exercise of the Debtors' business judgment. First, the Assigned Contracts may be necessary to operate certain assets and,

as such, they are essential to inducing the best offer for those assets. And second, it is unlikely that any purchaser would want to acquire certain assets unless a significant number of the contracts and leases needed to operate such assets, if applicable, are included in the transaction.

65. Accordingly, the Debtors submit that the assumption and assignment of the Assigned Contracts by way of the Assumption and Assignment Procedures should be approved as an exercise of the Debtors' business judgment.

**8. Defaults Under the Assigned Contracts Will Be Cured Through the Sale Transactions.**

66. Upon finding that a debtor has exercised its business judgment in determining that assuming an executory contract is in the best interest of its estate, courts must then evaluate whether the assumption meets the requirements of section 365(b) of the Bankruptcy Code, specifically that a debtor (a) cure, or provide adequate assurance of promptly curing, prepetition defaults in the executory contract, (b) compensate parties for pecuniary losses arising therefrom, and (c) provide adequate assurance of future performance thereunder. This section "attempts to strike a balance between two sometimes competing interests, the right of the contracting non-debtor to get the performance it bargained for and the right of the debtor's creditors to get the benefit of the debtor's bargain." *In re Luce Indus., Inc.*, 8 B.R. 100, 107 (Bankr. S.D.N.Y. 1980).

67. The Debtors submit that the statutory requirements of section 365(b)(1)(A) of the Bankruptcy Code will be promptly satisfied. Because the Assumption and Assignment Procedures provide a clear process by which to resolve disputes over cure amounts or other defaults, the Debtors are confident that if defaults exist that must be cured, such cure will be achieved fairly, efficiently, and properly, consistent with the Bankruptcy Code and with due respect to the rights of non-Debtor parties.

**9. Non-Debtor Parties Will Be Adequately Assured of Future Performance.**

68. Similarly, the Debtors submit that the third requirement of section 365(b) of the Bankruptcy Code—adequate assurance of future performance—is also satisfied given the facts and circumstances present here. “The phrase ‘adequate assurance of future performance’ was adopted from Uniform Commercial Code section 2-609” and is to be given a practical, pragmatic construction based upon the facts and circumstances of each case. *In re U.L. Radio Corp.*, 19 B.R. 537, 542 (Bankr. S.D.N.Y. 1982). Although no single solution will satisfy every case, “the degree of assurance necessary falls considerably short of an absolute guaranty.” *In re Decora Indus., Inc.*, No. 00-4459, 2002 WL 32332749, at \*8 (D. Del. May 20, 2002) (citing *In re Prime Motor Inns, Inc.*, 166 B.R. 993, 997 (Bankr. S.D. Fla. 1994)). Among other things, adequate assurance may be given by demonstrating the assignee’s financial health and experience in managing the type of enterprise or property assigned. *See Dura Auto.*, 2007 WL 7728109, at \*97 (finding adequate assurance of future performance present where a prospective assignee has financial resources and has expressed a willingness to devote sufficient funding to a business to give it a strong likelihood of succeeding); *In re Bygaph, Inc.*, 56 B.R. 596, 605–06 (Bankr. S.D.N.Y. 1986) (same).

69. The Debtors believe that they can and will demonstrate that the requirements for assumption and assignment of the Assigned Contracts to the Winning Bidder(s) arising from the Auction, if any, will be satisfied. As required by the Bidding Procedures, the Debtors will evaluate the financial wherewithal of potential bidders before designating such party a Qualified Bidder (e.g., financial credibility, willingness, and ability of the interested party to perform under the Assigned Contracts) and will demonstrate such financial wherewithal, willingness, and ability to perform under the Assigned Contracts assigned to the Winning Bidder(s) arising from the Auction. Further, the Assumption and Assignment Procedures provide the Court and other interested parties

ample opportunity to evaluate and, if necessary, challenge the ability of the Winning Bidder(s) arising from the Auction to provide adequate assurance of future performance and object to the assumption of the Assigned Contracts or proposed cure amounts. The Court therefore should have a sufficient basis to authorize the Debtors to reject or assume and assign the Assigned Contracts.

**E. Relief Under Bankruptcy Rules 6004(h) and 6006(d) Is Appropriate.**

70. Bankruptcy Rule 6004(h) provides that an “order authorizing the use, sale, or lease of property . . . is stayed until the expiration of fourteen days after the entry of the order, unless the court orders otherwise.” Additionally, Bankruptcy Rule 6006(d) provides that an “order authorizing the trustee to assign an executory contract or unexpired lease . . . is stayed until the expiration of fourteen days after the entry of the order, unless the court orders otherwise.” The Debtors request that any sale order, if necessary, entered in connection with a Sale Transaction be effective immediately upon its entry by providing that the fourteen-day stays under Bankruptcy Rules 6004(h) and 6006(d) are waived.

71. The purpose of Bankruptcy Rules 6004(h) and 6006(d) is to provide sufficient time for an objecting party to appeal before an order can be implemented. *See* Advisory Committee Notes to Fed. R. Bankr. P. 6004(h) and 6006(d). Although Bankruptcy Rules 6004(h) and 6006(d) and the Advisory Committee Notes are silent as to when a court should “order otherwise” and eliminate or reduce the fourteen-day stay period, the leading treatise on bankruptcy suggests that the fourteen-day stay should be eliminated to allow a sale or other transaction to close immediately “where there has been no objection to procedure.” 10 *Collier on Bankruptcy* ¶ 6004.10 (15th rev. ed. 2006). Furthermore, if an objection is filed and overruled, and the objecting party informs the court of its intent to appeal, the stay may be reduced to the amount of time actually necessary to file such appeal. *Id.*

72. To maximize the value received for the Assets, the Debtors seek to close the Sale Transactions as soon as possible after the Sale Hearing. Accordingly, the Debtors hereby request that the Court waive the fourteen-day stay period under Bankruptcy Rules 6004(h) and 6006(d).

**Reservation of Rights**

73. Notwithstanding anything to the contrary herein, nothing contained in this motion or any actions taken pursuant to any order granting the relief requested by this motion (including any payment made in accordance with any such order), is intended as or shall be construed or deemed to be: (a) an implication or admission as to the amount of, basis for, or validity of any particular claim against the Debtors under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission, or finding that any particular claim is an administrative expense claim, other priority claim, or otherwise of a type specified or defined in this motion or any order granting the relief requested by this motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver or limitation of the Debtors' or any other party in interest's claims, causes of action, or other rights under the Bankruptcy Code or any other applicable law. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

**Waiver of Bankruptcy Rules 6004(a) and 6004(h)**

74. The Debtors request that the Court enter an order providing that notice of the relief

requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the fourteen day stay period under Bankruptcy Rule 6004(h).

**Notice**

75. The Debtors will provide notice of this motion to the following parties or their respective counsel: (a) the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”); (b) counsel to the Prepetition Term Loan Agent; (c) counsel to the Prepetition ABL Agent; (d) counsel to the Prepetition FILO Agent; (e) the creditors listed on the Debtors’ consolidated list of thirty creditors holding the largest unsecured claims; (f) the United States Attorney for the District of Delaware; (g) the Internal Revenue Service; (h) the state attorneys general for states in which the Debtors conduct business; (i) the Stalking Horse Bidder and counsel thereto; and (j) any party that is entitled to notice pursuant to Bankruptcy Rule 2002 (collectively, the “Notice Parties”). As this motion is seeking “first day” relief, within two business days of the hearing on this motion, the Debtors will serve copies of this motion and any order entered in respect to this motion as required by Local Rule 9013-1(m). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

*[Remainder of page intentionally left blank]*

WHEREFORE, the Debtors request entry of the Bidding Procedures Order, substantially in the form attached hereto as **Exhibit A**, (a) granting the relief requested herein and (b) granting such other relief as the Court deems appropriate under the circumstances.

Dated: January 15, 2025  
Wilmington, Delaware

*/s/ Patrick J. Reilley*

**COLE SCHOTZ P.C.**

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*Proposed Co-Counsel to the Debtors  
and Debtors in Possession*

*Proposed Co-Counsel to the Debtors  
and Debtors in Possession*

**Exhibit A**  
**Bidding Procedures Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:	)	Chapter 11
JOANN INC., <i>et al.</i> <sup>1</sup>	)	Case No. 25-10068 (____)
Debtors.	)	(Joint Administration Requested)
	)	<b>Re: Docket No. __</b>

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**ORDER (I) APPROVING BIDDING  
PROCEDURES, (II) SCHEDULING CERTAIN DATES AND DEADLINES  
WITH RESPECT THERETO, (III) APPROVING THE FORM AND MANNER OF  
NOTICE THEREOF, (IV) APPROVING THE STALKING HORSE AGREEMENT,  
(V) ESTABLISHING NOTICE AND PROCEDURES FOR THE ASSUMPTION  
AND ASSIGNMENT OF ASSUMED CONTRACTS AND LEASES, (VI) AUTHORIZING  
THE ASSUMPTION AND ASSIGNMENT OF ASSUMED CONTRACTS AND LEASES,  
(VII) APPROVING THE SALE OF ASSETS, AND (VIII) GRANTING RELATED RELIEF**

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Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”), (a) authorizing and approving the Bidding Procedures attached hereto as **Exhibit 1**, (b) approving the terms of the Stalking Horse Agreement attached as **Exhibit 2** and the Stalking Horse Bid as a Qualified Bid, (c) establishing certain related dates and deadlines, (d) approving the form and manner of notice of the Auction and the Sale Transactions, attached hereto as **Exhibit 3** (the “Sale Notice”), (e) approving the form and manner of notice of the Winning Bidder(s) if there is no auction attached hereto as **Exhibit 4(a)**, and, if there is an auction, the form and manner of notice of the Winning Bidder(s) attached hereto as **Exhibit 4(b)** (collectively, the “Notice of Winning Bidder” and “**Exhibit 4**”),

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: JOANN Inc. (5540); Needle Holdings LLC (3814); Jo-Ann Stores, LLC (0629); Creative Tech Solutions LLC (6734); Creativebug, LLC (3208); WeaveUp, Inc. (5633); JAS Aviation, LLC (9570); joann.com, LLC (1594); JOANN Ditto Holdings Inc. (9652); Dittopatterns LLC (0452); JOANN Holdings 1, LLC (9030); JOANN Holdings 2, LLC (6408); and Jo-Ann Stores Support Center, Inc. (5027). The Debtors’ mailing address is 5555 Darrow Road, Hudson, Ohio 44236.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion or the Bidding Procedures, as applicable.

(f) approving the Assumption and Assignment Procedures, including the notices of potential assumption and proposed cure amounts attached hereto as **Exhibit 5** (the “Cure Notice”), and

(g) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and the United States District Court for the District of Delaware having jurisdiction over this matter pursuant to 28 U.S.C. § 1334, which was referred to the Court under 28 U.S.C. § 157 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other or further notice need or shall be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein, if any, at a hearing before this Court on [●], 2025 (the “Hearing”); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY FOUND AND DETERMINED THAT:**<sup>3</sup>

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<sup>3</sup> The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

Jurisdiction and Venue. The United States District Court for the District of Delaware has jurisdiction over this matter pursuant to 28 U.S.C. § 1334, which was referred to the United States Bankruptcy Court for the District of Delaware (the “Court”) under 28 U.S.C. § 157 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Statutory and Legal Predicates. The statutory and legal predicates for the relief requested in the Motion are sections 105(a), 363, 365, 503, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, 9007, 9008, and 9014 and Local Rules 1075-1, 2002-1, and 9013-1. The Debtors have articulated good and sufficient reasons for the Court to grant the relief requested in the Motion.

Sale Process. The Debtors and their advisors have been engaging with a number of potential interested parties to solicit and develop the highest and otherwise best offers for the Assets.

Bidding Procedures. The Debtors have articulated good and sufficient business reasons for the Court to approve the bidding procedures attached hereto as Exhibit 1 (the “Bidding Procedures”). The Bidding Procedures are fair, reasonable and appropriate, and are designed to maximize the value of the proceeds of one or more sales (the “Sale Transactions”) of the Debtors’ assets (the “Assets”). The Bidding Procedures were negotiated in good faith and at arm’s-length and are reasonably designed to promote a competitive and robust bidding process to generate the greatest level of interest in the Assets.

Stalking Horse Bidder. The Expense Reimbursement payable under the Stalking Horse Agreement shall be deemed an actual and necessary cost of preserving the Debtors’ estates within

the meaning of sections 503(b) and 507(a)(2) of the Bankruptcy Code and treated as an allowed administrative expense claim against the Debtors' estates pursuant to sections 503(b) and 507(a)(2) of the Bankruptcy Code.

Sale Notice. The Sale Notice, substantially in the form attached hereto as **Exhibit 3**, is reasonably calculated to provide interested parties with timely and proper notice of the Auction (if any) and any Sale Transaction with respect to the Assets, including, without limitation: (a) the date, time, and place of the Auction; (b) the Bidding Procedures; (c) the deadline for filing objections to the Sale Transactions and entry of an order approving any Sale Transactions; and (d) notice of the proposed assumption and assignment of Contracts to the Winning Bidder(s), if any.

Assumption and Assignment Provisions. The Debtors have articulated good and sufficient business reasons for the Court to approve the assumption and assignment procedures set forth herein (the "Assumption and Assignment Procedures"), which are fair, reasonable, and appropriate. The Assumption and Assignment Procedures comply with the provisions of section 365 of the Bankruptcy Code and Bankruptcy Rule 6006.

Notice of Winning Bidder. The Notice of Winning Bidder, substantially in the form attached hereto as **Exhibit 4**, is reasonably calculated to provide interested parties with timely and proper notice of any proposed Sale Transaction with respect to the Assets, including, without limitation: (a) the Winning Bidder(s) for the Assets, (b) the Back-Up Bidder(s), if applicable, (c) the key terms of the proposed Sale Transaction, and (d) the date, time, and place of the Sale Hearing.

Cure Notice. The Cure Notice, the form of which is attached hereto as **Exhibit 5**, is appropriate and reasonably calculated to provide all interested parties with timely and proper notice

of the Assumption and Assignment Procedures, as well as any and all objection deadlines related thereto, and no other or further notice shall be required for the Motion and the procedures described therein (including the Assumption and Assignment Procedures), except as expressly required herein.

Notice. Notice of the Motion, the proposed Bidding Procedures, the proposed Assignment and Assumption Procedures, and the Hearing was (i) appropriate and reasonably calculated to provide all interested parties with timely and proper notice, (ii) in compliance with all applicable requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules and (iii) adequate and sufficient under the circumstances of the Debtors' chapter 11 cases, such that no other or further notice need or shall be required or provided except as set forth in the Bidding Procedures and the Assumption and Assignment Procedures. A reasonable opportunity to object and be heard regarding the relief granted herein has been afforded to all parties in interest.

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

The Motion is GRANTED as set forth herein.

All objections to the relief granted in this order (the "Order") that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are hereby overruled and denied on the merits with prejudice.

**A. The Bidding Procedures**

1. The Bidding Procedures attached hereto as Exhibit 1 are hereby approved, are incorporated herein by reference, and shall govern the Bids and proceedings related to any sale of the Assets and the Auction (if any) in all respects. The procedures and requirements set forth in the Bidding Procedures, including those associated with submitting a Qualified Bid, are fair, reasonable, and appropriate, and are designed to maximize recoveries for the benefit of the

Debtors' estates, creditors, and other parties in interests. The Debtors are authorized to take any and all actions necessary or appropriate to implement the Bidding Procedures.

2. The failure to specifically include or reference any particular provision of the Bidding Procedures in the Motion or this Order shall not diminish or otherwise impair the effectiveness of such procedures, it being the Court's intent that the Bidding Procedures are approved in their entirety, as if fully set forth in this Order.

3. Subject to this Order and the Bidding Procedures, the Debtors, in the exercise of their reasonable business judgment and in a manner consistent with their fiduciary duties and applicable law, in consultation with the Consultation Parties, shall have the right to, in each case with respect to any Assets being sold pursuant to the Bidding Procedures, (a) determine which Qualified Bid is the highest or otherwise best offer for the applicable Assets, (b) reject any Bid that the Debtors determine is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code or the Bidding Procedures, or (iii) contrary to the best interests of the Debtors' estates and their creditors, and (c) impose such other terms and conditions upon Qualified Bidders as the Debtors determine to be in the best interests of the Debtors' estates in these chapter 11 cases.

4. Subject to this Order and the Bidding Procedures, the Debtors shall have the right, in their reasonable business judgment and in a manner consistent with their fiduciary duties and applicable law, in consultation with the Consultation Parties, to modify the Bidding Procedures, including to, among other things, (a) extend or waive deadlines or other terms and conditions set forth therein, (b) adopt new rules and procedures for conducting the bidding and the Auction process, (c) provide reasonable accommodations to the Stalking Horse Bidder, or (d) otherwise modify the Bidding Procedures to further promote competitive bidding for and maximizing the

value of the Assets, as applicable; *provided* that such extensions, waivers, new rules and procedures, accommodations, and modifications (except as are consented to or otherwise approved or permitted in accordance with the Bidding Procedures) (i) do not conflict with and are not inconsistent with this Order, the Bidding Procedures, the Bankruptcy Code, or any order of the Court and (ii) are as promptly as practicable communicated to each Qualified Bidder or at the Auction (if any).

5. If the Debtors, in consultation with the Consultation Parties, determine not to conduct an Auction for the Assets, then the Debtors shall file a notice with the Court of such determination within one (1) business day of making such determination.

6. The Debtors shall consult with the Consultation Parties in good faith regarding the sale process for the Assets and the Sale Transactions, including evaluation of any and all Bids, scheduling and operation of the Auction (if applicable), and selection of a Winning Bid, as well as any modifications of the Bidding Procedures, *provided* that subject to the Bidding Procedures, the Debtors shall not be required to consult with a Consultation Party regarding the evaluation of Bids or the selection of a Winning bid if such Consultation Party has submitted a competing Bid.

7. Except for the Expense Reimbursement provided to the Stalking Horse Bidder, no person or entity participating in the Debtors' sale process under the Bidding Procedures shall be entitled to any expense reimbursement, break-up fees, "topping" fees, termination fees, or other fees, payments, or reimbursements whatsoever in connection with any Bid, preparation thereof, or participation at the Auction (if any) or generally under the Bidding Procedures; and, by submitting a Bid, such person or entity shall be deemed to have forever waived its right to request or to file with the Court any request for allowance or payment of any such expense reimbursement or fee(s), whether by virtue of section 503(b) of the Bankruptcy Code or otherwise.

8. Any deposit provided by the Stalking Horse Bidder or other Qualified Bidder (as required under the Bidding Procedures or the Stalking Horse Agreement) shall be held in escrow by the Debtors or their agent and shall not become property of the Debtors' bankruptcy estates unless and until released from escrow to the Debtors pursuant to the terms of the Bidding Procedures, the applicable escrow agreement, or an order of the Court.

**B. The Stalking Horse Agreement and Expense Reimbursement.**

9. The Debtors are authorized to enter into the Stalking Horse Agreement with Gordon Brothers Retail Partners, LLC ("Gordon Brothers") for the purchase and sale of the Assets attached as Exhibit 2, and the terms of the Stalking Horse Agreement are hereby approved. Gordon Brothers shall be deemed the Stalking Horse Bidder and a Qualified Bidder, and Gordon Brothers' Bid contemplated by the Stalking Horse Agreement shall be deemed a Qualified Bid and, for avoidance of doubt, need not comply with each Bid Requirement.

10. The Expense Reimbursement for the Stalking Horse Bidder is approved in its entirety, and the amount of such Expense Reimbursement shall be an allowed administrative expense claim under section 503(b) of the Bankruptcy Code. The Debtors are authorized and directed to pay any amounts that may become due to the Stalking Horse Bidder on account of the Expense Reimbursement on the terms set forth in the Stalking Horse Agreement. For the avoidance of doubt, no other Qualified Bidder for the Assets shall be entitled to any form of expense reimbursement.

**C. Important Dates and Deadlines.**

11. The following dates and deadlines are hereby approved:

<u>Date and Time</u> (all times in prevailing Eastern Time)	<u>Event or Deadline</u>
February 12, 2025, at 5:00 p.m.	Bid Deadline
February 13, 2025	Notice of Winning Bidder and Cancellation of Auction (if no Auction)
February 13, 2025	Sale Objection Deadline for the Stalking Horse Bid
February 14, 2025, at 10:00 a.m.	Auction (if any)
February 14, 2025, at 10:00 a.m. (subject to Court availability)	Sale Hearing (if no Auction)
February 15, 2025 (or as soon as reasonably practicable thereafter)	Notice of Winning Bidder(s) (if there is an Auction)
February 18, 2025, at 5:00 p.m.	Sale Objection Deadline for Winning Bid(s) (if there is an Auction)
February 22, 2025, at 10:00 a.m. (subject to Court availability)	Sale Hearing (if there is an Auction)

12. The deadline by which Bids for any Assets, as applicable, must be *actually received* by the Debtors and their advisors (as set forth in the Bidding Procedures) is **February 12, 2025, at 5:00 p.m. (prevailing Eastern Time)** (the “**Bid Deadline**”).

13. Each Qualified Bidder participating in the Auction, if any, shall be required to confirm that it has not engaged in any collusion with respect to any bidding (including preparing or submitting its Bid(s)) or the Sale Transactions, as set forth in the Bidding Procedures; and the Auction, if any, shall be transcribed or otherwise recorded.

14. The Debtors shall file with the Court the Notice of Winning Bidder, identifying the identity of the Winning Bidder(s) (as applicable), the amount of the Winning Bid(s) (as applicable), and, if the Winning Bidder (as applicable) is a credit bidder, what portion of its bid is a credit bid and what portion (if any) is cash, by: **February 13, 2025**, or as soon as reasonably practicable

thereafter if there is not an Auction, and **February 15, 2025** or as soon as reasonably practicable thereafter if there is an Auction. If the Winning Bidder is a special purpose entity, the notice shall also identify the entity or entities that are its primary equity holders, or otherwise control, the special purpose entity.

15. Objections to the proposed order approving any Winning Bid(s) (and/or designation of a Back-Up Bid(s), as applicable) (the “Sale Order,” and such objections, “Sale Objections”) must be made on or before: **February 13, 2025, at 5:00 p.m. (prevailing Eastern Time)** to the Stalking Horse Bid, or **February 18, 2025, at 5:00 p.m. (prevailing Eastern Time)** (the “Sale Objection Deadline”) if there is an Auction, and the Sale Order shall be in form and substance reasonably acceptable to the Prepetition ABL Agent and the Prepetition FILO Agent. All Sale Objections must: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual basis for the Sale Objection and the specific grounds therefor; and (d) be filed with the Court and served so as to be actually received by the following parties (the “Notice Parties”) no later than the Sale Objection Deadline:

Proposed Co-Counsel to the Debtors	Proposed Co-Counsel to the Debtors
<p>Kirkland &amp; Ellis LLP 601 Lexington Ave New York, New York 10022 Aparna Yenamandra, P.C. (aparna.yenamandra@kirkland.com)</p> <p>-and-</p> <p>Kirkland &amp; Ellis LLP 333 West Wolf Point Plaza Chicago, Illinois 60654 Jeffrey Michalik (jeff.michalik@kirkland.com) Lindsey Blumenthal (lindsey.blumenthal@kirkland.com)</p>	<p>Cole Schotz P.C. 500 Delaware Avenue, Suite 1410 Wilmington, Delaware 19801, Patrick J. Reilley (preilley@coleschotz.com) Stacy L. Newman (snewman@coleschotz.com) Michael E. Fitzpatrick (mfitzpatrick@coleschotz.com) Jack M. Dougherty (jdougherty@coleschotz.com)</p>
Proposed Investment Banker to the Debtors	The Prepetition Term Loan Agent and Counsel Thereto
<p>Centerview Partners, LLC 31 West 52nd Street, 22nd Floor New York, New York 10019 Karn Chopra (kchopra@centerview.com) Ryan Kielty (rkielty@centerview.com) Daniel Bendetson (dbendetson@centerview.com)</p>	<p>ArentFox Schiff LLP 1301 Avenue of the Americas, 42nd Floor New York, New York 10019 Jeffrey Gleit (jeffrey.gleit@afslaw.com) Jonathan Bagg (jonathan.bagg@afslaw.com) Matthew Bentley (matthew.bentley@afslaw.com)</p>
The Prepetition ABL Agent and Counsel Thereto	The Prepetition FILO Agent and Counsel Thereto
<p>Morgan, Lewis &amp; Bockius LLP One Federal Street Boston, Massachusetts 02110 Marjorie Crider (marjorie.crider@morganlewis.com) Christopher L. Carter (christopher.carter@morganlewis.com)</p> <p>- and -</p> <p>Reed Smith LLP 1201 North Market Street, Suite 1500 Wilmington, Delaware 19801 Kurt F. Gwynne (kgwynne@reedsmith.com) Jason D. Angelo (jangelo@reedsmith.com)</p>	<p>Choate, Hall &amp; Stewart LLP 2 International Place Boston, Massachusetts 02110 John F. Ventola (jventola@choate.com) Jonathan D. Marshall (jmarshall@choate.com)</p> <p>- and -</p> <p>DLA Piper LLP (US) 1201 N Market St. Suite 2100 Wilmington, Delaware 19801 Stuart Brown (stuart.brown@us.dlapiper.com)</p>
Office of the United States Trustee (Region 3)	
<p>The Office of the United States Trustee 844 King Street Suite 2207, Lockbox 35 Wilmington, Delaware 19801 Malcolm M. Bates (malcolm.m.bates@usdoj.gov)</p>	

16. If any party fails to timely file with the Court and serve a Sale Objection by the Sale Objection Deadline or otherwise abide by the procedures set forth in the Bidding Procedures regarding an objection to the Sale Transaction, such party shall be barred from asserting, at the Sale Hearing or otherwise, any objection to the relief requested in the Motion or to the consummation and performance of the Sale Transaction, including the transfer of the applicable Asset(s) to the applicable Winning Bidder(s) free and clear of all liens, claims, interests, and encumbrances pursuant to section 363(f) of the Bankruptcy Code, and shall be deemed to “consent” to the Sale Transaction for purposes of section 363(f) of the Bankruptcy Code.

17. The Court will hold a hearing to consider approval of the Sale Transaction(s) on **February 14, 2025 at 10:00 a.m. (prevailing Eastern Time)**, subject to Court availability if there is not an Auction, and **February 22, 2025 at 10:00 a.m. (prevailing Eastern Time)**, subject to Court availability if there is an Auction (the “Sale Hearing”). The Sale Hearing may be adjourned in accordance with the Bidding Procedures by announcement in open court or on the Court’s calendar without any further notice required.

#### **E. Credit Bidding**

18. Any bidder holding a perfected security interest in any of the Assets may seek to credit bid all, or a portion of, such bidder’s claims for its respective collateral in accordance with section 363(k) of the Bankruptcy Code (each such bid, a “Credit Bid”); *provided*, that such Credit Bid complies with the terms of the Bidding Procedures. Any Credit Bid that complies with the terms of the Bidding Procedures shall qualify as a Qualified Bid without requiring a good faith deposit, and the applicable Prepetition ABL Lenders, Prepetition ABL Agent, Prepetition FILO Lenders, or Prepetition FILO Agent shall be deemed a Qualified Bidder for purposes of any such Credit Bid.

**F. Notice of Sale Transactions**

19. The Sale Notice, substantially in the form attached to this Order as **Exhibit 3**, is approved with respect to the Auction which may be held under the Bidding Procedures. Within three (3) business days of the entry of this Order, the Debtors shall cause the Sale Notice to be served (including by e-mail, where applicable) upon parties in interest and, along with the Motion, this Order, and all of this Order's exhibits and schedules, posted on the Debtors' restructuring webpage at <https://cases.ra.kroll.com/Joann2025> (or such other applicable URL) (the "Case Webpage").

20. Within three (3) business days after entry of this Order or as soon as reasonably practicable thereafter, the Debtors shall place a publication version of the Sale Notice for one day in *The New York Times* (national edition) and post it onto the Case Webpage. Such notice shall be deemed sufficient and proper notice of the Bidding Procedures, the Sale Transactions, and the Auction (if any) with respect to known interested parties and no other or further notice shall be required.

21. Within one (1) business day after the conclusion of the Auction (if any), or as soon as reasonably practicable thereafter and in accordance with the Bidding Procedures, the Debtors will file on the docket the Notice of Winning Bidder substantially in the form attached to this Order as **Exhibit 3**.

**G. Assumption and Assignment Procedures.**

22. The Assumption/Assignment Procedures below are hereby approved in all respects and shall be the procedures by which the Debtors will notify any counterparties (the "Contract Counterparties") to executory contracts and unexpired leases with the Debtors (the "Contracts") of proposed cure amounts in the event the Debtors determine to assume and

assign such Contracts in connection with the Sale Transactions. Within two (2) business days of the Auction, if any, for any Sale Transaction, to the extent the Debtors seek to assume and assign an executory contract and/or unexpired lease, the Debtors will provide via first class mail and/or email (to the extent email is reasonably known) information of all proposed forms of adequate assurance of future performance they have received from the Stalking Horse Bidder or each Winning Bidder and Back-up Bidder, as applicable, to Contract Counterparties and their counsel, if known. Requests by contract or lease counterparties to receive adequate assurance information via e-mail may be made to Debtors' counsel at: [aparna.yenamandra@kirkland.com](mailto:aparna.yenamandra@kirkland.com), [jeff.michalik@kirkland.com](mailto:jeff.michalik@kirkland.com), and [lindsey.blumenthal@kirkland.com](mailto:lindsey.blumenthal@kirkland.com).

23. Nothing in this Order shall be deemed to limit the Debtors' or the Winning Bidder's ability to negotiate partial assumption and/or assumption and assignment of Contracts with Contract Counterparties on a consensual basis.

- a. **Cure Notice.** No later than fourteen (14) calendar days prior to any Cure Objection deadline, the Debtors shall file with the Court and serve via first class mail, electronic mail, or overnight delivery, the Cure Notices, attached hereto as **Exhibit 5**, on the Contract Counterparties and the Consultation Parties, and post the Cure Notice to the Case Webpage.
- b. **Content of Cure Notice.** The Cure Notice shall notify the applicable Contract Counterparties that the Contracts may be subject to assumption and assignment in connection with the Sale, and contain the following information: (i) a list of the applicable Contracts that may be assumed or assumed and assigned in connection with the Sale (the "Assigned Contracts," and each individually, an "Assigned Contract"); (ii) the applicable Contract Counterparties; (iii) the Debtors' good faith estimates of the proposed amount necessary to cure all monetary defaults, if any, under each Assigned Contract (the "Cure Costs"); and (iv) the deadline by which any Contract Counterparty to an Assigned Contract must file an objection to the proposed assumption, assignment, cure, and/or adequate assurance and the procedures relating thereto (the "Cure Objection"); *provided* that service of a Cure Notice does not constitute an admission that such Assigned Contract is an executory contract or unexpired lease or that such Assigned Contract will be assumed at any point by the Debtors or assumed and assigned pursuant to any Winning Bid.

- c. **Cure Objections.** Cure Objections, if any, to a Cure Notice must: (i) be in writing; (ii) comply with the applicable provisions of the Bankruptcy Rules, the Local Rules, and any order governing the administration of these chapter 11 cases; (iii) state with specificity the nature of the objection and, if the Cure Objection pertains to the proposed Cure Costs, state the cure amount alleged to be owed to the objecting Contract Counterparty, together with any applicable and appropriate documentation in support thereof; *provided* that the Debtors may modify any Cure Objection deadline by filing a notice of such modification on the Court's docket.
- d. **Effects of Filing a Cure Objection.** A properly filed Cure Objection will reserve such objecting party's rights against the Debtors only with respect to the assumption and assignment of the Assigned Contract at issue, and/or objection to the accompanying Cure Costs, as set forth in the Cure Objection, but will not constitute an objection to the remaining relief requested in the Sale Order.
- e. **Dispute Resolution.** Any Cure Objection to the assumption or assumption and assignment of an Assigned Contract or Cure Costs that remains unresolved after the Sale Hearings shall be heard at such later date as may be agreed upon by the parties or fixed by the Court. To the extent that any Cure Objection cannot be resolved by the parties, such Contract shall be assumed and assigned only upon satisfactory resolution of the Cure Objection, to be determined in the Winning Bidder's reasonable discretion. To the extent a Cure Objection remains unresolved, the Contract may be conditionally assumed and assigned, subject to the consent of the Winning Bidder, pending a resolution of the Cure Objection after notice and a hearing. If a Cure Objection is not satisfactorily resolved, the Winning Bidder may determine that such Contract should not be assumed and assigned, in which case the Winning Bidder(s) will not be responsible for any Cure Costs in respect of such contract. Notwithstanding the foregoing, if a Cure Objection relates solely to the Cure Costs (any such objection, a "Cure Dispute"), the applicable Assigned Contract may be assumed by the Debtors and assigned to the Winning Bidder provided that the cure amount the Contract Counterparty asserts is required to be paid under section 365(b)(1)(A) and (B) of the Bankruptcy Code (or such lower amount as agreed to by the Contract Counterparty) is deposited in a segregated account by the Debtors pending the Court's adjudication of the Cure Dispute or the parties' consensual resolution of the Cure Dispute.
- f. **Supplemental Cure Notice.** If the Debtors discover Contracts inadvertently omitted from the Cure Notice or a Winning Bidder identifies other Contracts that it desires to assume or assume and assign in connection with the sale, the Debtors may, after consultation with such Winning Bidder, at any time before the closing of the sale, supplement the Cure Notice with previously omitted Contracts, or modify a previously filed Cure Notice, including by modifying the previously stated Cure Costs associated with any Contracts (the "Supplemental Cure Notice").
- g. **Objection to the Supplemental Cure Notice.** Any Contract Counterparty listed on the Supplemental Cure Notice may file an objection (a "Supplemental Cure Objection") only if such objection is to the proposed assumption or assumption and

assignment of the applicable Contracts or the proposed Cure Costs, if any, modified by the Supplemental Cure Notice. All Supplemental Cure Objections must: (i) state, with specificity, the legal and factual basis for the objection as well as what Cure Costs are required, if any; (ii) include appropriate documentation in support thereof; and (iii) be filed no later than 5:00 p.m. (prevailing Eastern Time) on the date that is fourteen (14) calendar days following the date of service of such Supplemental Cure Notice, which date will be set forth in the Supplemental Cure Notice.

- h. **Dispute Resolution of Supplemental Cure Objection.** If a Contract Counterparty files a Supplemental Cure Objection in a manner that is consistent with the requirements set forth above, and the parties are unable to consensually resolve the dispute, the Debtors shall seek an expedited hearing before the Court to determine the Cure Costs, if any, and approve the assumption of the relevant Contracts. If there is no such objection, then the Debtors shall obtain an order of this Court fixing the Cure Costs and approving the assumption of any Contract listed on a Supplemental Cure Notice. Notwithstanding the foregoing, if a Supplemental Cure Objection relates solely to a Cure Dispute, the applicable Assigned Contract may be assumed by the Debtors and assigned to the Winning Bidder provided that the cure amount the Contract Counterparty asserts is required to be paid under section 365(b)(1)(A) and (B) of the Bankruptcy Code (or such lower amount as agreed to by the Contract Counterparty) is deposited in a segregated account by the Debtors pending the Court's adjudication of the Cure Dispute or the parties' consensual resolution of the Cure Dispute.

## **H. Miscellaneous.**

24. All persons and entities that participate in the applicable Auction (if any) or bidding for any Assets during the sale process under the Bidding Procedures shall be deemed to have knowingly and voluntarily (i) consented to the core jurisdiction of the Court to enter any order related to the Bidding Procedures, the Auction (if any), or any other relief requested in the Motion or granted in this Order, and (ii) waived any right to a jury trial in connection with any disputes relating to the Bidding Procedures, the Auction, or any other relief requested in the Motion or granted in this Order.

25. This Order shall be binding on the Debtors and its successors and assigns, including any chapter 7 or chapter 11 trustee or other fiduciary appointed for the estates of the Debtors.

26. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

27. To the extent that there may be any inconsistency between the terms of the Motion, the Stalking Horse Agreement, the Bid Procedures, and this Order, the terms of this Order shall govern.

28. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief (including any payment made in accordance with this Order), nothing in this Order is intended as or shall be construed or deemed to be: (a) an implication or admission as to the amount of, basis for, or validity of any particular claim against the Debtors under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission, or finding that any particular claim is an administrative expense claim, other priority claim, or otherwise of a type specified or defined in this Order or the Motion or any order granting the relief requested by the Motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors' or any other party in interest's claims, causes of action, or other rights under the Bankruptcy Code or any other applicable law; (h) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy under section 365 of the Bankruptcy Code; (i) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity,

or perfection or seek avoidance of all such liens; (j) a waiver of the obligation of any party in interest to file a proof of claim; or (k) otherwise affecting the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract or unexpired lease. Any payment made pursuant to this Order is not intended and should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

29. Notwithstanding anything to the contrary in this Order or the Bidding Procedures, the rights of the Prepetition ABL Agent and the Prepetition FILO Agent under the Cash Collateral Order<sup>4</sup> (and the Intercreditor Agreements referenced therein) to consent to the Sale Transaction(s) (and any terms and conditions thereof) of any portion of their collateral, including, without limitation, any Assets, are expressly preserved and not waived or impaired by the Bidding Procedures or this Order. For the avoidance of doubt, nothing in this Order or the Bidding Procedures shall amend or impair any provision of the Cash Collateral Order (including the Milestones therein) or the rights of the Prepetition ABL Agent and the Prepetition FILO Agent thereunder.

30. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

31. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

32. The Debtors are authorized to make non-substantive changes to the Bidding Procedures, the Assumption and Assignment Procedures, and any related documents without

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<sup>4</sup> “Cash Collateral Order” means any interim or final order approving the use of cash collateral, and any budgets in connection therewith governing any such use of cash collateral, whichever is then in effect, as applicable.

further order of the Court, including, without limitation, changes to correct typographical and grammatical errors.

33. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

34. This Court shall retain jurisdiction over any and all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

**Exhibit 1**

**Bidding Procedures**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:	)	Chapter 11
	)	
JOANN INC., <i>et al.</i> <sup>1</sup>	)	Case No. 25-10068 (____)
	)	
Debtors.	)	(Joint Administration Requested)
	)	

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**BIDDING PROCEDURES**

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On [●], 2025 (the “Petition Date”), JOANN Inc. and the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), in the United States Bankruptcy Court for the District of Delaware (the “Court”).

Thereafter, on [●], 2025, the Court entered the *Order (I) Approving Bidding Procedures, (II) Scheduling Certain Dates and Deadlines with Respect Thereto, (III) Approving the Form and Manner of Notice Thereof, (IV) Approving the Stalking Horse Agreement, (V) Establishing Notice and Procedures for the Assumption and Assignment of Assumed Contracts and Leases, (VI) Authorizing the Assumption and Assignment of Assumed Contracts and Leases, (VII) Approving the Sale of Assets, and (VIII) Granting Related Relief* [Docket No. [●]] (the “Bidding Procedures Order”), by which the Court approved the bidding procedures set forth herein (these “Bidding Procedures”).<sup>2</sup>

These Bidding Procedures set forth the process by which the Debtors are authorized to conduct a marketing and sale process (including pursuant to an Auction (as defined below), if any) for the sale or sales of some, all, or substantially all of the Debtors’ assets (the “Sale Transactions”).

The ability of the Debtors to undertake and consummate any Sale Transaction shall be subject to competitive bidding as set forth in these Bidding Procedures and approval of any Sale Transaction by the Court. The Debtors will consider bids for any or all of the Assets in a single

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: JOANN Inc. (5540); Needle Holdings LLC (3814); Jo-Ann Stores, LLC (0629); Creative Tech Solutions LLC (6734); Creativebug, LLC (3208); WeaveUp, Inc. (5633); JAS Aviation, LLC (9570); joann.com, LLC (1594); JOANN Ditto Holdings Inc. (9652); Dittopatterns LLC (0452); JOANN Holdings 1, LLC (9030); JOANN Holdings 2, LLC (6408); and Jo-Ann Stores Support Center, Inc. (5027). The Debtors’ mailing address is 5555 Darrow Road, Hudson, Ohio 44236.

<sup>2</sup> Unless otherwise specified herein, capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Bidding Procedures Order, its respective motion filed at [Docket No. [●]], the *Interim Order (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Creditors, (III) Modifying Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief*, or its respective motion, filed at Docket No. [●].

bid from a single bidder or in multiple bids from multiple bidders. Any bid for less than all of the Assets, even if such bid is the highest or otherwise best bid for such Assets, is subject to higher or otherwise better bids for packages of Assets that may include such Assets. Additionally, any bid on all of the Assets is subject to bids on individual Assets or packages of Assets that are, in the aggregate, higher or otherwise better bids. The Debtors may determine in their discretion, following consultation with the Consultation Parties, whether to proceed with a Sale of any Asset pursuant to these Bidding Procedures.

## 1. ASSETS TO BE AUCTIONED

The Debtors are seeking to sell all of their assets, or any portion thereof to the person or entity making the most value maximizing bid through the process outlined in these Bidding Procedures. These assets include, but are not limited to, the Debtors' going-concern business, unexpired leases, executory contracts, equipment, inventory, supplies, intellectual property, insurance proceeds, prepaid expenses and deposits, and books and records, in each case, free and clear of all liens, claims, interests, or other encumbrances (collectively, the "Assets").

## 2. KEY DATES AND DEADLINES

<u>Date and Time</u> (all times in prevailing Eastern Time)	<u>Event or Deadline</u>
February 12, 2025, at 5:00 p.m.	Bid Deadline
February 13, 2025	Notice of Winning Bidder and Cancellation of Auction (if no Auction)
February 13, 2025	Sale Objection Deadline to the Stalking Horse Bid
February 14, 2025, at 10:00 a.m.	Auction (if any)
February 14, 2025, at 10:00 a.m. (subject to Court availability)	Sale Hearing (if no Auction)
February 15, 2025 (or as soon as reasonably practicable thereafter)	Notice of Winning Bidder(s) (if there is an Auction)
February 18, 2025, at 5:00 p.m.	Sale Objection Deadline for Winning Bid(s) (if there is an Auction)
February 22, 2025, at 10:00 a.m. (subject to Court availability)	Sale Hearing (if there is an Auction)

## 3. SUBMISSIONS TO THE DEBTORS; CONSULTATION PARTIES

All submissions to the Debtors required or permitted to be made under these Bidding Procedures must be directed to each of the following persons or entities unless otherwise provided:

3.1. Debtors: JOANN Inc., Attn.: Ann Aber, EVP, Chief Legal & HR Officer (ann.aber@joann.com).

3.2. Debtors' Proposed Counsel: (i) proposed co-counsel to the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn.: Aparna Yenamandra, P.C. (aparna.yenamandra@kirkland.com), Kirkland & Ellis LLP, 333 West Wolf Point Plaza, Chicago, Illinois 60654, Attn.: Jeffrey Michalik (jeff.michalik@kirkland.com), and Lindsey Blumenthal (lindsey.blumenthal@kirkland.com); and (ii) Cole Schotz P.C., 500 Delaware Avenue, Suite 1410, Wilmington, Delaware 19801, Attn.: Patrick J. Reilley (preilley@coleschotz.com), Stacy L. Newman (snewman@coleschotz.com), Michael E. Fitzpatrick (mfitzpatrick@coleschotz.com), and Jack M. Dougherty (jdougherty@coleschotz.com).

3.3. Debtors' Proposed Investment Banker: Centerview Partners, LLC, 31 West 52nd Street, 22nd Floor, New York, New York 10019, Attn.: Ryan Kielty (rkielty@centerview.com), Karn Chopra (kchopra@centerview.com), and Daniel Bendetson (dbendetson@centerview.com).

3.4. Prepetition ABL Agent: (i) Morgan, Lewis & Bockius LLP, One Federal Street, Boston, Massachusetts 02110, Attn: Marjorie Crider and Christopher L. Carter (marjorie.crider@morganlewis.com and christopher.carter@morganlewis.com), and (ii) Reed Smith LLP, 1201 North Market Street, Suite 1500, Wilmington, Delaware 19801, Attn: Kurt F. Gwynne and Jason D. Angelo (kgwynne@reedsmit.com and jangelo@reedsmit.com).

3.5. Prepetition FILO Agent: (i) Choate Hall & Stewart LLP, 2 International Place, Boston, Massachusetts 02110, Attn: John Ventola (jventola@choate.com) and Jonathan Marshall (jmarshall@choate.com) and (ii) DLA Piper LLP (US) 1201 N Market St. Suite 2100, Wilmington, Delaware 19801, Stuart Brown (stuart.brown@us.dlapiper.com).

3.6. Prepetition Term Loan Agent: ArentFox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor, New York, New York 10019, Attn: Jeffrey Gleit (jeffrey.gleit@afslaw.com), Jonathan Bagg (jonathan.bagg@afslaw.com), and Matthew Bentley (matthew.bentley@afslaw.com).

The “Consultation Parties” are (A) the Prepetition ABL Agent and the Prepetition FILO Agent, and (B) any statutory committee appointed in these cases (the “Committee”); *provided* that any Consultation Party, including any member of the Committee, who submits a Bid (as defined below), including a Credit Bid, for any Assets in connection with these Bidding Procedures, or is a participant in any active Bid with respect to any Asset(s), shall immediately no longer be a Consultation Party with respect to the evaluation and qualification of competing Bids for the Assets included in their Bid or with respect to seeking and/or obtaining information about other Bids, unless and until such party unequivocally revokes its Bid and waives its right to continue in the bidding process, but shall remain a Consultation Party for other purposes set forth in these Bidding Procedures; *provided, further*, that immediately upon any Consultation Party’s secured debt (as applicable) being indefeasibly paid in full in cash, such Consultation Party shall

immediately no longer be a Consultation Party under these Bidding Procedures.<sup>3</sup> Materials and information provided by the Debtors or their advisors to the advisors to any Consultation Party may be shared with such Consultation Party, subject in all respects to these Bidding Procedures, the Bidding Procedures Order, and the respective Confidentiality Agreement entered into by and among or otherwise agreed to between each such Consultation Party and the Debtors.

The Debtors shall consult with the Consultation Parties in good faith regarding the sale process for the Assets and the Sale Transactions, including evaluation of any and all Bids, scheduling and operation of the Auction (if applicable), selection of a Winning Bid (as defined below), negotiation of the purchase agreement or agency agreement, as applicable, as well as any modifications of these Bidding Procedures. The Debtors shall also provide to the Consultation Parties and their advisors regular reports concerning the sale process, including parties contacted, proposals received, and any due diligence requested by potential purchasers.

#### **4. POTENTIAL BIDDERS & ACCEPTABLE BIDDERS**

To participate in the bidding process or otherwise be considered for any purpose under these Bidding Procedures, a person or entity interested in consummating a Sale Transaction (a “Potential Bidder”) must deliver or have previously delivered to the Debtors and each of their advisors the following documents and information (unless the Debtors, in their reasonable business judgment after consultation with the Consultation Parties, choose to waive any of the requirements set forth in this Section 4 for any Potential Bidder):

- 4.1. an executed confidentiality agreement on terms acceptable to the Debtors (a “Confidentiality Agreement”);
- 4.2. sufficient information that the Potential Bidder has or can reasonably obtain the financial capacity to close a purchase of the targeted assets, the adequacy of which must be acceptable to the Debtors, in consultation with the Consultation Parties (i.e., no financing out); and
- 4.3. any other information or documentation that the Debtors reasonably request.

The Debtors, in their reasonable business judgment and in consultation with the Consultation Parties, will determine and notify each Potential Bidder whether such Potential Bidder has submitted adequate documents so that such Potential Bidder may proceed to conduct due diligence and submit a Bid (as defined below) (such Potential Bidder, an “Acceptable Bidder”). The Debtors shall promptly inform the Consultation Parties of any entity that becomes an Acceptable Bidder.

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<sup>3</sup> If any Prepetition ABL and FILO Lender submits a Bid or otherwise is a participant with respect to any active Bid, the other Prepetition ABL and FILO Lenders shall remain Consultation Parties; *provided* that such bidding Prepetition ABL and FILO Lender shall be precluded from receiving or reviewing information or documentation not otherwise available to all Acceptable Bidders, and the other Prepetition ABL and FILO Lenders shall not share or otherwise discuss such information with the bidding Prepetition ABL and FILO Lender.

The Debtors may, in their reasonable business judgment, conduct a process for the sale of unsold assets that are not included in any Winning Bid(s) (as defined below), subject to the Cash Collateral Order.<sup>4</sup>

## 5. DUE DILIGENCE

The Debtors, with their advisors, have established an electronic data room (the “Data Room”) that provides standard and customary diligence materials, including information to allow Acceptable Bidders to submit a Qualified Bid (as defined below).

Only Acceptable Bidders shall be eligible to receive due diligence information and access to the Data Room and to additional non-public information regarding the Debtors. Subject to the other terms herein, the Debtors may provide to each Acceptable Bidder reasonable due diligence information, as requested by such Acceptable Bidder in writing, as soon as reasonably practicable after such request. For all Acceptable Bidders, the due diligence period will end on the Bid Deadline. The Debtors may, in their reasonable business judgment after consultation with the Consultation Parties, but shall have no obligation to, furnish any additional due diligence information to any person following the Bid Deadline.

The Debtors shall not furnish any confidential information relating to the Assets, liabilities of the Debtors, or the Sale Transactions to any person except to an Acceptable Bidder or to such Acceptable Bidder’s duly authorized representatives subject to the applicable Confidentiality Agreement. The Debtors and their advisors shall coordinate all reasonable requests from Acceptable Bidders for additional information and due diligence access; *provided* that the Debtors may decline to provide such information to Acceptable Bidders who, at such time and in the Debtors’ reasonable business judgment, have not established, or who have raised doubt, that such Acceptable Bidder intends in good faith to, or has the capacity to, consummate a Sale Transaction.

Neither the Debtors nor any of their representatives shall be obligated to furnish any information of any kind whatsoever relating to the Assets (a) to any person or entity who is not an Acceptable Bidder or (b) if and to the extent doing so would (1) violate any law to which the Debtors are subject, including any privacy law, (2) result in the disclosure of any trade secrets of third parties in breach of any contract with such third party, (3) violate any legally-binding obligation of any Debtor with respect to confidentiality, non-disclosure or privacy, or (4) jeopardize protections afforded to any Debtor under the attorney-client privilege or the attorney work product doctrine (*provided* that, in case of each of clauses (1) through (4), the Debtors shall use commercially reasonable efforts to (x) provide such access as can be provided (or otherwise convey such information regarding the applicable matter as can be conveyed) without violating such privilege, doctrine, contract, obligation or law and (y) provide such information in a manner without violating such privilege, doctrine, contract, obligation, or law).

The Debtors, in consultation with the Consultation Parties, also reserve the right to withhold any diligence materials that the Debtors determine are sensitive or otherwise not appropriate for disclosure, including to an Acceptable Bidder whom the Debtors determine in

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<sup>4</sup> “Cash Collateral Order” means any interim or final order approving the use of cash collateral, and any budgets in connection therewith governing any such use of cash collateral, whichever is then in effect, as applicable.

consultation with the Consultation Parties is a competitor of the Debtors, a potential competitor of the Debtors, or is affiliated with any competitor of the Debtors. Neither the Debtors nor their representatives shall be obligated to furnish information of any kind whatsoever to any person that is not determined to be an Acceptable Bidder.

**All due diligence requests directed to the Debtors must be directed to: Ryan Kielty (rkielty@centerview.com) and Daniel Bendetson (dbendetson@centerview.com).**

**Each Potential Bidder or Acceptable Bidder shall comply with all reasonable requests for information and due diligence access made by the Debtors, their advisors, regarding such Potential Bidder or Acceptable Bidder, as applicable, and its contemplated Sale Transaction. Failure by a Potential Bidder or Acceptable Bidder to comply with reasonable requests for additional information and due diligence access will be a basis for the Debtors to determine that the Potential Bidder or Acceptable Bidder, as applicable, is not a Qualified Bidder. Failure by a Qualified Bidder to comply with such requests for additional information and due diligence access will be a basis for the Debtors, after consultation with the Consultation Parties, to determine that a bid made by a Qualified Bidder is not a Qualified Bid.**

## **6. BID REQUIREMENTS.**

Any proposal, solicitation, or offer to consummate a Sale Transaction (each, a “Bid”) must be submitted in writing and must satisfy the following requirements (collectively, the “Bid Requirements”):

- 6.1. **Proposed Sale Transaction.** Each Bid must clearly propose a Sale Transaction as to the Assets. Each Bid must specify (1) which of such Assets—with as much specificity as is possible—are to be included in the proposed Sale Transaction (the “Acquired Assets”), (2) to the extent such Bid is for substantially all of the Assets, which Assets, if any, are to be excluded from the proposed Sale Transaction (the “Excluded Assets”), (3) the liabilities and obligations, including any debt and cure costs to be assumed (the “Assumed Liabilities”), and (4) as applicable, whether the Acceptable Bidder intends to operate the Debtors’ business as a going concern, acquire certain Assets, or otherwise liquidate the business. For the avoidance of doubt, all Assets held by non-Debtor subsidiaries shall be presumed to be Excluded Assets.
- 6.2. **Purchase Price.** Each Bid must (a) clearly specify the purchase price to be paid, assuming a purchase of the applicable Assets and assumption of any Assumed Liabilities (the “Purchase Price”); (b) identify separately any cash and non-cash components (which non-cash components shall be limited only to credit bids and Assumed Liabilities) of the Purchase Price in United States dollars; and (c) indicate the allocation of the Purchase Price among the applicable Assets. The Purchase Price shall exceed the Stalking Horse Bid by at least the aggregate sum of (1) the Expense Reimbursement for the Assets, and (2) such additional amount as determined by the Debtors in their reasonable business judgment after consultation with the Consultation Parties, and shall include a cash component sufficient to satisfy the “Obligations” under the ABL/FILO Credit Agreement and the

Prepetition ABL/FILO Obligations (including the cash collateralization of all obligations related to letters of credit and contingent exposure, as applicable) to be Paid in Full (each as defined in the Cash Collateral Order) on the closing of the Sale Transaction; *provided, however*, that the Debtors reserve the right to approve joint Bids that satisfy the foregoing conditions and are acceptable to the Prepetition ABL Agent and the Prepetition FILO Agent.

- 6.3. **Deposit.** Other than a Credit Bid, each Bid must be accompanied by a cash deposit equal to ten percent (10%) of the applicable aggregate Purchase Price (the “Deposit”), to be held in one or more escrow accounts on terms acceptable to the Debtors and the Consultation Parties; *provided* that the Debtors, in their reasonable business judgment and in consultation with the Consultation Parties, may elect to waive or modify the requirement of a Deposit on a case-by-case basis. To the extent the Purchase Price of a Bid is increased, at any time or from time to time, whether prior to commencement of the Auction or during the Auction, the amount of the Deposit shall automatically increase accordingly (to be equal to ten percent 10% of any increased Purchased Price) and the corresponding Potential Bidder will pay into escrow the amount of such increase, as promptly as practicable, and in any event within one business day, following such increase. Without limiting the foregoing, if a Purchase Price is increased in order to make a bid into a Qualified Bid, the Debtors may, in consultation with the Consultation Parties, condition participation of the applicable Potential Bidder at the Auction on such Potential Bidder paying the then full amount of the Deposit into escrow prior to commencement of the Auction or such participation. For the avoidance of doubt, a Bid that is comprised of both a Credit Bid and cash consideration does not need to include a Deposit.
- 6.4. **Transaction Documents.** Each Bid must be accompanied by an executed form of purchase agreement or agency agreement, which the Debtors shall make available to Acceptable Bidders via the Debtors’ electronic data room pursuant to the due diligence process, with respect to the proposed Sale Transaction, including the exhibits, schedules, and ancillary agreements related thereto and any other related material documents integral to such Bid.
- 6.5. **Back-Up Bidder Commitment.** Each Bid must include a written commitment by the applicable Potential Bidder to serve as a Back-Up Bidder (as defined below) in the event that such Potential Bidder’s Bid is not selected as the Winning Bid; *provided* that the foregoing shall not apply to any Potential Bidder that (1) both (a) qualifies as a Secured Party (as defined below) and (b) submits a Credit Bid; or (2) is the Stalking Horse Bidder.
- 6.6. **Proof of Financial Ability to Perform.** To the extent that a Bid is not accompanied by evidence of the Potential Bidder’s capacity to consummate the Sale Transaction set forth in its Bid with cash on hand, each Bid must include unconditional committed financing from a reputable financing institution, documented to the satisfaction of the Debtors in consultation with the Consultation Parties, that demonstrates that the Potential Bidder has: (i) received sufficient debt

and/or equity funding commitments to satisfy the Potential Bidder's Purchase Price and other obligations under its Bid; and (ii) adequate working capital financing or resources to finance going concern operations for the applicable Assets and the proposed Sale Transaction. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, and shall have covenants and conditions reasonably acceptable to the Debtors, in consultation with the Consultation Parties.

- 6.7. **Contingencies; No Financing or Diligence Outs.** Each Bid shall not be conditioned on the obtaining or the sufficiency of financing or any internal approval, or on the outcome or review of due diligence.
- 6.8. **Identity.** Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in connection with such Bid—including each equity holder or other financial backer of the Potential Bidder if such Potential Bidder is an entity formed for the purpose of consummating the proposed Sale Transaction contemplated by such Bid—and the complete terms of any such participation. Each Bid must also fully disclose whether any current or former officer, director, or equity holder of the Debtors, or any entity affiliated with any current or former officer, director, or equity holder of the Debtors, will be bidding or otherwise participating in connection with such Bid, including any employment or compensation arrangements being negotiated or agreed to between the Qualified Bidder and any employee of the Debtors. Under no circumstances shall any undisclosed insiders, principals, equity holders, or financial backers of the Debtors be associated with any Bid. Each Bid should also include contact information for the specific person(s) and counsel whom the Debtors (and their advisors) should contact regarding such Bid.
- 6.9. **Authorization.** Each Bid must contain evidence acceptable to the Debtors that the Potential Bidder has obtained authorization or approval from its board of directors (or a comparable governing body) with respect to the submission of its Bid and the consummation of the Sale Transaction contemplated by such Bid.
- 6.10. **Contracts and Leases.** Each Bid must identify each and every executory contract and unexpired lease to be assumed and assigned in connection with the proposed Sale Transaction (collectively, the "Assigned Contracts"). Each Bid must be accompanied by adequate assurance of future performance under all Assigned Contracts, which shall include audited and unaudited financial statements, tax returns, bank account statements, and a description of the business to be conducted at the premises, and such other documentation as the Debtors may request (the "Adequate Assurance Package"). The Adequate Assurance Package should be submitted in its own compiled PDF document.
- 6.11. **As-Is, Where-Is.** Each Bid must include a written acknowledgement and representation that: (1) the Potential Bidder has had an opportunity to conduct due diligence regarding the Sale Transaction prior to making its offer; (2) the Potential

Bidder has relied solely upon its own independent review, investigation, or inspection of any documents in making its Bid; (3) except as may be set forth in Definitive Sale Documents (as defined below) concerning such Bid, the Potential Bidder did not rely, and is not relying upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, by the Debtors or their advisors or other representatives regarding the Sale Transaction, the completeness of any information provided in connection therewith or the Auction, if any, or otherwise; and (4) the Potential Bidder did not engage in any collusive conduct and acted in good faith in submitting its Bid.

- 6.12. **No Break-Up Fee or Reimbursement of Expenses.** Each Bid, with the exception of the Stalking Horse Bid, must expressly state and acknowledge that such Potential Bidder shall not be entitled to, and shall not seek, any transaction break-up fee, termination fee, expense reimbursement, working fee, or similar type of payment. Each Bid must expressly waive any claim or right to assert any substantial contribution administrative expense claim under section 503(b) of the Bankruptcy Code or the payment of any broker fees or costs in connection with bidding for any of the Assets and/or otherwise participating in the Auction or the sale process.
- 6.13. **Transition Services.** Each Bid must state or otherwise estimate the types of transition services, if any, the Potential Bidder would require of and/or provide to the Debtors, including an estimate of the time any such transition services would be required of and/or provided to the Debtors, if the Potential Bidder's Bid were selected as the Winning Bid for the applicable Assets.
- 6.14. **Commitment to Close.** Each Bid must include a commitment to close as soon as practicable and state the expected date of closing of the Sale Transaction, which for the avoidance of doubt must be either on or before the date specified in Section 2 of these Bidding Procedures.
- 6.15. **Irrevocable Bid.** Each Bid must contain a statement by the applicable Potential Bidder acknowledging and agreeing that such Bid and each of its provisions is binding upon the Potential Bidder and irrevocable in all respects.
- 6.16. **Compliance with Bidding Procedures.** Each Bid must contain a covenant that the applicable Potential Bidder will comply in all respects with the terms of these Bidding Procedures and the Bidding Procedures Order.
- 6.17. **Combination Bids.** For Bids that contemplate a purchase of multiple categories of Assets, each Bid must specify: (i) allocation of the Purchase Price across each Asset; (ii) for Bids that include unexpired leases specifically, the Purchase Price must be allocated across each individual property included in the Bid; and (iii) Bids must indicate whether the offer is on an "all or none" basis in the event that the Potential Bidder is outbid for certain Assets contemplated in the Bid.

6.18. **Initial Assets Overbid.** Any incremental Bids that comply with the terms set forth in Section 11(ii) of these Bidding Procedures (each an “Overbid”) regarding all or substantially all of the Assets must have a value to the Debtors, in the Debtors’ exercise of their reasonable business judgment, after consultation with their advisors and the Consultation Parties that is at least the sum of (i) one hundred thousand United States dollars (\$100,000.00) more than the value offered under the Stalking Horse Agreement *plus* (ii) the Expense Reimbursement (the “Initial Assets Overbid”).

By submitting a Bid, each Potential Bidder is agreeing, and shall be deemed to have agreed, to abide by and honor the terms of these Bidding Procedures and to refrain from (A) submitting a Bid after conclusion of the Auction (if any) or (B) seeking to reopen the Auction (if any) once closed. **The submission of a Bid shall constitute a binding and irrevocable offer (a) for the Winning Bidder, until consummation of the proposed Sale Transaction, (b) for the Back-Up Bidder (if any), as provided in these Bidding Procedures, including Section 12 hereof, and (c) for any bidder other than the Winning Bidder, the Back-Up Bidder, or any Secured Party that submitted a Credit Bid, until two (2) business days after entry of the Court’s order approving the Winning Bid and (if applicable) the Back-Up Bid for the applicable Assets (each, as applicable, a “Sale Order”), which shall be in form and substance reasonably acceptable to the Prepetition ABL Agent and the Prepetition FILO Agent, and each Bid must include a written acknowledgment and representation to such effect.**

## 7. STALKING HORSE BIDDER.

In connection with the Stalking Horse Agreement and in recognition of the Stalking Horse Bidder’s expenditure of time, energy, and resources, the Debtors are authorized and directed to provide (i) up to \$500,000 to cover the Stalking Horse Bidder’s reasonable out-of-pocket costs and expenses, associated with due diligence and professionals’ fees and expenses associated with, among other things, negotiating, drafting, and obtaining approval of the Stalking Horse Agreement and (ii) up to \$1,600,000.00 for any actual, reasonable costs incurred to acquire signage for a “going out of business” sale (the “Expense Reimbursement”). For the avoidance of doubt, no other Qualified Bidder for the Assets shall be entitled to any form of bid protections.

## 8. BID DEADLINE.

Any Bid for the Assets must be transmitted via email (in .pdf or similar format) to the Debtors and their advisors (as specified in Section 3 hereof) so as to be actually received by such parties on or before **February 12, 2025, by 5:00 p.m. (prevailing Eastern Time)** (the “Bid Deadline”).

The Debtors shall promptly provide the Consultation Parties copies of all Bids received by the Debtors, but in no event later than the next business day following receipt.

## 9. QUALIFIED BIDS & QUALIFIED BIDDERS.

A Bid is a “Qualified Bid” if the Debtors, in their reasonable business judgment and in consultation with the Consultation Parties, determine that such Bid (A) satisfies the Bid Requirements set forth above and (B) is reasonably likely to be consummated if selected as the

Winning Bid (or Back-Up Bid, as applicable) for the applicable Assets; *provided* that the Stalking Horse Bid shall constitute and be deemed a Qualified Bid and, for the avoidance of doubt, need not comply with each Bid Requirement. For the avoidance of doubt, Combination Bids may constitute a Qualified Bid.

An Acceptable Bidder that submits a Qualified Bid is a “Qualified Bidder” with respect to the Assets to which such Qualified Bid relates; *provided* that the Stalking Horse Bidder shall constitute and be deemed a Qualified Bidder. To the extent that any Prepetition ABL and FILO Lender submits a Credit Bid in accordance with Section 10 herein, such bid shall be a Qualified Bid, and such Prepetition ABL and FILO Lender shall be a Qualified Bidder with respect to such Bid.

As soon as reasonably practicable after the applicable Bid Deadline, the Debtors will notify each Acceptable Bidder whether such party is a Qualified Bidder and shall provide the Consultation Parties’ counsel with a copy of each Qualified Bid. If an Acceptable Bidder’s Bid is determined not to be a Qualified Bid, the Debtors will refund such Acceptable Bidder’s Deposit (if any) on the date that is three business days after the Bid Deadline.

Between the date that the Debtors notify an Acceptable Bidder that it is a Qualified Bidder and the date set for the Auction, the Debtors may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Without the prior written consent of the Debtors following consultation with the Consultation Parties, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase the Purchase Price, or otherwise improve the terms of, the Qualified Bid, during the period that such Qualified Bid remains binding as specified in these Bidding Procedures; *provided* that any Qualified Bid may be improved at the Auction (if any) as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.

Notwithstanding anything herein to the contrary, the Debtors, in consultation with the Consultation Parties, reserve the right to work with (A) Potential Bidders and Acceptable Bidders to aggregate two or more Bids into a single consolidated Bid prior to the applicable Bid Deadline and (B) Qualified Bidders to aggregate two or more Qualified Bids into a single Qualified Bid prior to the conclusion of the Auction (if any). The Debtors, in consultation with the Consultation Parties, reserve the right to cooperate with any Acceptable Bidder to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. The Debtors, in consultation with the Consultation Parties, may accept a single Qualified Bid or multiple Bids that, if taken together in the aggregate, would otherwise meet the standards for a single Qualified Bid (in which event those multiple Qualified Bidders shall be treated as a single Qualified Bidder and their Bid a single Qualified Bid for purposes of the Auction (if any)).

## **10. RIGHT TO CREDIT BID.**

Any Qualified Bidder that has a valid and perfected lien on any Assets of the Debtors’ estates (a “Secured Party”) shall be entitled to credit bid all or a portion of the face value of such Secured Party’s claims against the Debtors toward the Purchase Price specified in such Qualified Bidder’s Bid (a “Credit Bid”); *provided* that a Secured Party shall be entitled to credit

bid its claim(s) only with respect to Assets that are subject to a valid and perfected lien in favor of such Secured Party as to such claim(s).

## 11. AUCTION.

If the Debtors receive two or more Qualified Bids with respect to the same or overlapping Assets or group of Assets, the Debtors may, in consultation with the Consultation Parties, conduct an auction (the “Auction”) to determine the Winning Bidder (or Back-Up Bidder, as applicable) with respect to such Assets. In such event, the Debtors will (A) notify all Qualified Bidders of the highest or otherwise best Qualified Bid with respect to the applicable Assets, as determined by the Debtors in their reasonable business judgment and in consultation with the Consultation Parties (each such Qualified Bid, a “Baseline Bid”) and (B) provide copies of the documents setting forth the terms of the Baseline Bid(s) to all Qualified Bidders, in each case, as soon as reasonably practicable after the Bid Deadline and in any event no later than prior to the commencement of the Auction. The Debtors’ determination of which Qualified Bid constitutes the Baseline Bid shall consider any factors the Debtors, in their reasonable business judgment and in consultation with the Consultation Parties, deem relevant to the value of the Qualified Bid to the Debtors’ estates and the Debtors’ patient care mandate and related regulatory requirements.

If the Debtors, in consultation with the Consultation Parties, determine that they have received no Qualified Bids other than the Stalking Horse Bid or they have received only a single Qualified Bid, then the Auction will not occur, and the Stalking Horse Bid or the Qualified Bid will be deemed to be the Winning Bid(s) for the Assets to which the Stalking Horse Bid or Qualified Bid relates. If the Debtors make such a determination, the Debtors shall file a notice with the Court within one business day of making such determination.

If the Debtors receive two or more Qualified Bids for the same Assets, the Auction may take place on or after **February 14, 2025**, at a time to be announced by the Debtors in consultation with the Consultation Parties, via remote video and/or in person at the Debtors’ election, and shall be conducted in a timely fashion according to the procedures set forth below (the “Auction Procedures”).

## **AUCTION PROCEDURES**

(i) **The Debtors Shall Conduct the Auction(s); General Provisions.** The Debtors, with the assistance of their advisors, shall direct and preside over any Auction and shall consult with the Consultation Parties throughout the Auction process. At the commencement of the Auction, the Debtors, in consultation with the Consultation Parties (1) may announce procedural and related rules governing the Auction, including time periods available to all Qualified Bidders to submit any successive Bid(s) and (2) shall describe the terms of the Baseline Bid. Only incremental Bids that comply with the terms set forth in Section 11(ii) of these Bidding Procedures shall be considered Overbids. Overbids shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders. The Debtors, in consultation with the Consultation Parties, shall determine in their reasonable business judgment whether an incremental Bid is an Overbid. The Debtors shall maintain a written transcript of all Bids made and announced at the Auction, including the Baseline Bid, all Overbids, and the Winning Bid (or Back-Up Bid, as applicable) (as defined below).

Only Qualified Bidders, the Debtors, the Consultation Parties and each of their respective legal and financial advisors, creditors in these chapter 11 cases, and any other parties specifically invited or permitted to attend by the Debtors, shall be entitled to attend the Auction, and the Qualified Bidders shall appear at the Auction in person and may speak or bid themselves or through duly authorized representatives. Except as otherwise permitted by the Debtors in consultation with the Consultation Parties, only Qualified Bidders shall be entitled to bid at the Auction.

The Debtors and the Consultation Parties have the right to request any additional information that will allow the Debtors to make a reasonable determination as to a Qualified Bidder's financial and other capabilities to consummate the transactions contemplated by their proposal and any further information that the Debtors and the Consultation Parties believe is reasonably necessary to clarify and evaluate any Bid made by a Qualified Bidder during the Auction.

The Debtors may, subject to Section 16 of these Bidding Procedures, and with the consent of the Prepetition ABL Agent and the Prepetition FILO Agent, announce at the Auction modified or additional procedures for conducting the Auction or otherwise modify these Bidding Procedures.

(ii) **Terms of Overbids.** Each Overbid must comply with the following terms:

(a) **Minimum Overbid Increment.** At the commencement of the initial solicitation of Overbids, the Debtors, in consultation with the Consultation Parties, shall announce the minimum increment by which any Overbid must exceed the applicable Baseline Bid, which amount shall not be lower than one-hundred thousand United States Dollars (\$100,000); *provided* that the first Overbid with regard to the Assets shall be the Initial Assets Overbid.

At the commencement of each subsequent round of solicitation of Overbids, the Debtors shall announce the minimum increment by which any Overbid must exceed the Prevailing Highest Bid (as defined below) at such time. The Debtors may, in their reasonable business judgment and in consultation with the Consultation Parties, announce increases or reductions to the applicable minimum Overbid increment at any time during the Auction.

- (b) **Conclusion of Each Overbid Round.** Upon the solicitation of each round of Overbids, the Debtors may announce a deadline by which time any Overbids must be submitted to the Debtors (an “Overbid Round Deadline”); *provided* that the Debtors, in their reasonable business judgment and after consultation with the Consultation Parties, may extend any Overbid Round Deadline.
- (c) **Overbid Alterations.** An Overbid may contain alterations, modifications, additions, or deletions of any terms of the Bid no less favorable in the aggregate to the Debtors’ estates than any prior Qualified Bid or Overbid, as determined in the Debtors’ reasonable business judgment and after consultation with the Consultation Parties, but shall otherwise comply with the terms of these Bidding Procedures.
- (d) **Announcing Highest Bid.** Subsequent to each Overbid Round Deadline, the Debtors shall announce whether the Debtors, in consultation with the Consultation Parties, have identified an Overbid as being higher or otherwise better than, in the initial Overbid round, the Baseline Bid or, in subsequent rounds, the Overbid previously designated by the Debtors as the prevailing highest or otherwise best Bid (the “Prevailing Highest Bid”). The Debtors shall describe to all applicable Qualified Bidders the material terms of any new Overbid designated by the Debtors as the Prevailing Highest Bid, as well as the value attributable by the Debtors to such Prevailing Highest Bid.
- (iii) **Consideration of Overbids.** The Debtors reserve the right, in their reasonable business judgment and in consultation with the Consultation Parties, to adjourn the Auction one or more times, to, among other things (1) facilitate discussions between the Debtors and Qualified Bidders, (2) allow Qualified Bidders the opportunity to consider how they wish to proceed, and (3) provide Qualified Bidders the opportunity to provide the Debtors with such additional evidence as the Debtors, in their reasonable business judgment, may require, that the Qualified Bidder has sufficient internal resources or has received sufficient and sufficiently unconditional financing commitments to consummate the proposed Sale Transaction at the prevailing Overbid amount.
- (iv) **Closing the Auction.** The Auction shall continue until there is only one Qualified Bid for a particular group of Assets that the Debtors determine, in their reasonable business judgment and in consultation with the Consultation Parties, to be the highest or otherwise best Qualified Bid for the applicable assets. Such Qualified

Bid shall be designated the “Winning Bid” (or Back-Up Bid, as applicable, and the Qualified Bidder who submitted the Winning Bid, the “Winning Bidder”) with respect to its proposed Acquired Assets, at which time the Auction with respect to such Assets shall be closed; *provided* that (1) such Auction shall not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an Overbid at the Auction to the then Prevailing Highest Bid; and (2) the Debtors’ designation of a Qualified Bid as a Winning Bid (or Back-Up Bid, as applicable) shall be subject to and conditioned on finalization of definitive documentation and the Court’s approval of such Winning Bid (or Back-Up Bid, as applicable), applicable regulatory and third-party approvals, and the consummation of the Sale Transaction contemplated thereby. As soon as reasonably practicable after the designation of a Winning Bid (or Back-Up Bid, as applicable), the Debtors, in consultation with the Consultation Parties, shall finalize definitive documentation to implement the terms of such Winning Bid (or Back-Up Bid, as applicable) and cause such definitive documentation to be filed with the Court.

Notwithstanding anything to the contrary herein, the Debtors shall not, without the consent of the Prepetition ABL Agent and the Prepetition FILO Agent, select a Winning Bid unless such Winning Bid, either individually or in combination with other Winning Bids, as applicable, provides for the satisfaction of the “Obligations” under the ABL/FILO Credit Agreement and the Prepetition ABL/FILO Obligations (including the cash collateralization of all obligations related to letters of credit and contingent exposure, as applicable) to be Paid in Full (each as defined in the Cash Collateral Order) on the closing of the Sale Transaction.

- (v) **No Collusion; Good Faith Offer.** Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that (1) such Qualified Bidder has not engaged in any collusion with respect to the bidding process (2) such Qualified Bidders’ Qualified Bid is a good faith and irrevocable offer and such Qualified Bidder intends to consummate the Sale Transaction contemplated by its Qualified Bid if such Qualified Bid is the Winning Bid (or Back-Up Bid, as applicable) with respect to the applicable Acquired Assets, and (3) will serve as Back-Up Bid.
- (vi) **Rejection of Bids.** The Debtors, in their reasonable business judgment, in consultation with the Consultation Parties, may reject, at any time prior to the conclusion of the Auction, any Bid that the Debtors determine, after consultation with the Consultation Parties, is (1) inadequate or insufficient, (2) not in conformity with the requirements of the Bankruptcy Code and/or these Bidding Procedures, or (3) contrary to the best interests of the Debtors, their estates, their creditors, and other stakeholders.

## 12. DESIGNATION OF A BACK-UP BIDDER.

If for any reason the Winning Bidder fails to consummate the Qualified Bid within the time permitted after the entry of the Sale Order approving the Sale to the Winning Bidder, then the Qualified Bidder or Qualified Bidders with the next-highest or otherwise second-best Bid (each,

a “Back-Up Bidder”), as determined by the Debtors after consultation with the Consultation Parties, and with the consent of the Prepetition ABL Agent and the Prepetition FILO Agent, at the conclusion of the Auction and announced at that time to all the Qualified Bidders participating therein and as set forth in the Sale Order, will automatically be deemed to have submitted the highest or otherwise best Bid or Bids (each, a “Back-Up Bid”), and the Debtors shall consummate the transaction pursuant to the Back-Up Bid as soon as is commercially reasonable without further order of the Bankruptcy Court upon at least twenty-four hours advance notice, which notice will be filed with the Court; *provided* that the forgoing shall not apply to any Potential Bidder that (1) both (a) qualifies as a Secured Party and (b) submits a Credit Bid; or (2) is the Stalking Horse Bidder.

Upon designation of the Back-Up Bidder at the Auction, the Back-Up Bid must remain open and irrevocable until the earlier of (1) the closing of the transactions contemplated by the Winning Bid notwithstanding any outside date set forth in such Back-Up Bidder’s proposed purchase agreement and (2) the date that is four months following the conclusion of the Auction.

### **13. FIDUCIARY OUT.**

Notwithstanding anything to the contrary in these Bidding Procedures or any document filed with or entered by the Court, nothing in these Bidding Procedures or the Bidding Procedures Order shall require a Debtor or its board of directors, board of managers, or similar governing body to take any action or to refrain from taking any action with respect to the Sale Transactions or these Bidding Procedures solely to the extent such Debtor or governing body determines in good faith, in consultation with counsel, that taking or failing to take such action, as applicable, would be inconsistent with applicable law or its fiduciary obligations under applicable law.

Further, notwithstanding anything to the contrary in these Bidding Procedures or any document filed with or entered by the Court, until the entry of the Sale Order, the Debtors and their respective directors, managers, officers, employees, investment bankers, attorneys, accountants, consultants, and other advisors or representatives shall have the right to: (A) consider, respond to, and facilitate alternate proposals for sales or other transactions involving any or all of the Assets (each, an “Alternate Proposal”); (B) provide access to non-public information concerning the Debtors to any entity or enter into confidentiality agreements or nondisclosure agreements with any entity; (C) maintain or continue discussions or negotiations with respect to Alternate Proposals; (D) otherwise cooperate with, assist, participate in, or facilitate any inquiries, proposals, discussions, or negotiations of Alternate Proposals; and (E) enter into or continue discussions or negotiations with any person or entity regarding any Alternate Proposal.

### **14. “AS IS, WHERE IS.”**

Consummation of the Sale Transactions will be on an “as is, where is” basis and without representations or warranties of any kind, nature, or description by the Debtors or their estates, except as specifically accepted and agreed to by the Debtors in the executed definitive written documentation for the Sale Transactions (the “Definitive Sale Documents”). Unless otherwise specifically accepted and agreed to by the Debtors in Definitive Sale Documents, all of the Debtors’ right, title, and interest in and to the Assets disposed of in the Sale Transaction will be transferred to the Winning Bidder (or Back-Up Bidder, as applicable) free and clear of all pledges,

liens, security interests, encumbrances, claims, charges, options, and interests in accordance with sections 363(f) of the Bankruptcy Code and subject to the terms and conditions of the Cash Collateral Order.

By submitting a Bid, each bidder will be deemed to acknowledge and represent that it (A) has had an opportunity to conduct adequate due diligence regarding the Debtors and the proposed Sale Transaction prior to making its Bid, (B) has relied solely on its own independent review, investigation, and inspection of any document, including executory contracts and unexpired leases, in making its Bid, and (C) did not rely on or receive from any person or entity (including any of the Debtors or their advisors or other representatives) any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, with respect to the Sale Transaction or the completeness of any information provided in connection with the Sale Transaction or the Auction (if any), except as may be set forth in Definitive Sale Documents.

## **15. COMMISSIONS.**

The Debtors shall be under no obligation to pay any commissions, fees, or expenses to any Potential Bidder's agent, advisor, or broker. All commissions, fees, or expenses for any such agents, advisors, or brokers shall be paid by the applicable Potential Bidder at such Potential Bidder's discretion. In no case shall any commissions, fees, or expenses for any Potential Bidder's agent, advisor, or broker be deducted from any proceeds derived from any Sale Transaction for the Assets. This Section 15 shall not apply to any Expense Reimbursement that becomes payable pursuant to the terms of the Stalking Horse Agreement.

## **16. RESERVATION OF RIGHTS.**

The Debtors may, in consultation with the Consultation Parties, be entitled to modify these Bidding Procedures in their reasonable business judgment in consultation with the Consultation Parties in any manner that will best promote the goals of these Bidding Procedures, or impose, at or prior to the Auction (if any), additional customary terms and conditions on a Sale Transaction, including: (A) extending the deadlines set forth in these Bidding Procedures; (B) adjourning the Auction at the Auction; (C) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction (if any); (D) canceling the Auction; and (E) rejecting any or all Bids or Qualified Bids. All such modifications and additional rules will be communicated to each of the Consultation Parties, Potential Bidders, and Qualified Bidders; *provided* that, to the extent such modifications occur at the Auction, disclosure of such modifications is limited to those in attendance at the Auction; *provided, further* that (i) the Debtors shall not amend these Bidding Procedures, the Bidding Procedures Order, or the bidding process to modify their obligations to consult with the Prepetition ABL Agent or the Prepetition FILO Agent without the consent of such parties or further order of the Bankruptcy Court, (ii) any extension of the deadlines set forth in these Bidding Procedures that breaches a Milestone set forth in the Cash Collateral Order shall require the consent of the Prepetition ABL Agent and the Prepetition FILO Agent, and (iii) without the consent of the Prepetition ABL Agent or the Prepetition FILO Agent, the Debtors shall not adopt new rules, procedures, or deadlines, or otherwise modify these Bidding Procedures or the Bidding Procedures Order in a manner that alters, limits, or imposes additional burdens on the rights of the Prepetition ABL Agent or the

Prepetition FILO Agent, including (x) requiring the Prepetition ABL Agent or the Prepetition FILO Agent to include a deposit as part of a Credit Bid or (y) imposing additional conditions on their rights to Credit Bid or to be deemed a Qualified Bidder (and their Bids deemed Qualified Bids).

Notwithstanding anything to the contrary in these Bidding Procedures or the Bidding Procedures Order, the rights of the Prepetition ABL Agent and the Prepetition FILO Agent under the Cash Collateral Order (and the Intercreditor Agreements referenced therein) to consent to the Sale (and any terms and conditions thereof) of any portion of their collateral, including, without limitation, any Assets, are expressly preserved and not waived or impaired by these Bidding Procedures or the Bidding Procedures Order. For the avoidance of doubt, nothing in these Bidding Procedures or the Bidding Procedures Order shall amend or impair any provision of the Cash Collateral Order (including the Milestones therein) or the rights of the Prepetition ABL Agent and the Prepetition FILO Agent thereunder.

Each reference in these Bidding Procedures and the Bidding Procedures Order to “consultation” (or similar phrase) with the Consultation Parties shall mean consultation in good faith.

## **17. CONSENT TO JURISDICTION.**

All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction or the construction and enforcement of these Bidding Procedures.

## **18. SALE HEARING.**

The Court shall hold a hearing to consider approval of the Winning Bid(s) (and Back-Up Bid(s), as applicable) and the Sale Transactions contemplated thereby (the “Sale Hearing”). **The Sale Hearing shall be held on February 14, 2025, subject to the availability of the Court if there is not an Auction, and February 22, 2025, subject to the availability of the Court if there is an Auction.** The Sale Hearing may be continued to a later date by the Debtors, in consultation with the Consultation Parties, by sending written notice to all Qualified Bidders and Consultation Parties prior to, or by making an announcement at, the Sale Hearing. No further notice of any such continuance will be required to be provided to any bidder or other party.

## **19. RETURN OF DEPOSIT.**

Any Deposits provided by Qualified Bidders shall be held in one or more escrow accounts on terms acceptable to the Debtors. Any such Deposits will be returned to Qualified Bidders that are not Winning Bidders (or Back-Up Bidders, as applicable) on the date that is three business days after the Auction (if any). Any Deposit provided by a Winning Bidder (or Back-Up Bidder, as applicable) shall be applied to the Purchase Price of the applicable Sale Transaction at closing.

If a Winning Bidder (or Back-Up Bidder, as applicable) fails to consummate the Sale Transaction contemplated by its Winning Bid (or Back-Up Bid, as applicable) because of a breach by such Winning Bidder (or Back-Up Bidder, as applicable), the Debtors will not have any

obligation to return any Deposit provided by such Winning Bidder (or Back-Up Bidder, as applicable), which may be retained by the Debtors as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtors and their estates.

**Exhibit 2**

**Stalking Horse Agreement**

## **AGENCY AGREEMENT**

This Agency Agreement (“Agreement”) is made as of January 15, 2025, by and between (a) JOANN Inc. (together with its subsidiaries listed on Annex 1, the “Merchant”) and (b) Gordon Brothers Retail Partners, LLC (“Agent”; and together with Merchant each a “Party” and collectively the “Parties”).

### **Section 1. Recitals**

WHEREAS, on January 15, 2025 (the “Petition Date”), Merchant commenced voluntary chapter 11 bankruptcy cases (the “Bankruptcy Cases”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

WHEREAS, Merchant entered into that certain Second Amended and Restated Credit Agreement (the “Credit Agreement”) dated as of April 30, 2024, by and among Jo-Ann Stores, LLC, as borrower, the other Loan Parties thereto, Bank of America, N.A., as administrative agent and collateral agent (the “ABL Agent”), and 1903P Loan Agent, LLC, as FILO Documentation Agent (as defined in the Credit Agreement) (the “FILO Agent”); and

WHEREAS, Merchant operates retail stores and desires that Agent act as Merchant’s exclusive agent for the purposes of:

- (a) selling all of the Merchandise (as hereinafter defined) from Merchant’s retail store locations identified on Exhibit 1(a)(1) attached hereto (each a “Store” and collectively the “Stores”), distribution centers (including e-commerce facilities) identified on Exhibit 1(a)(2) attached hereto (each a “Distribution Center” and collectively, the “Distribution Centers”), wholesale channels or any other channel by means of a “going out of business,” “store closing,” “sale on everything,” “everything must go,” or similar sale as described further below (the “GOB Sale”), with the nature and manner of advertising the GOB Sale being in Agent’s sole discretion, subject to the terms and conditions of this Agreement and the Sale Guidelines and Approval Order (each as defined below);
- (b) marketing and selling, or otherwise designating the purchasers of the furniture, furnishings, trade fixtures, machinery, equipment, office supplies, Supplies (as defined below), conveyor systems, racking, rolling stock, and other tangible personal property (collectively, “FF&E”) owned by Merchant, wherever located (“Owned FF&E”);
- (c) designating the purchasers, assignees, sublessees, or other transferees of any or all of Merchant’s unexpired leases of non-residential real property (together with all amendments, extensions, modifications, and other material documents related thereto, each a “Lease” and all such Leases collectively, the “Leases”) and executory contracts (together with all amendments, extensions, modifications, and other material documents related thereto, each a “Contract” and all such Contracts collectively, the “Contracts”), in each case excluding any Leases or Contracts that may be rejected as permitted and in accordance with the procedures under the

Approval Order (defined below) and subject to the assumption and assignment procedures to be incorporated into the Approval Order;

- (d) marketing and selling, or otherwise designating the purchasers, assignees, and/or licensees of any or all IP Rights owned by Merchant (the “Intellectual Property”); and
- (e) marketing and selling, or otherwise designating the purchasers, licensees, and/or assignees of any or all of Merchant’s right, title, and interest in and to other real or tangible property (such right, title and interest, the “Other Assets” and, collectively with Merchant’s right, title, and interest in and to the Merchandise, Owned FF&E, Leases, Contracts, and Intellectual Property, the “Assets”). For the avoidance of doubt, the Other Assets include but are not limited to all cash on hand in the Merchant’s retail store locations, cash in transit, cash in bank accounts, Merchant’s interest in and rights with respect to cash posted as collateral for letters of credit or bonds, receivables (including credit card receivables), refunds of any nature, deposits, security deposits, credit card processing float, payment processor reserves, real property, sublease income, proceeds of retail sales of Merchandise in all of the Debtors’ retail store locations from and after the Closing, claims and causes of action arising under chapter 5 of the Bankruptcy Code and similar state law (“Avoidance Actions”), and, except as provided for in Section 16.21(d), all other claims and causes of action, including but not limited to commercial tort claims, based on facts and circumstances existing as of the Closing, whether or not theretofore discovered or asserted (“Other Causes of Action”); provided, that neither the Agent, nor any Person claiming by, through or on behalf of the Agent (including by operation of law, sale, assignment, conveyance or otherwise) shall pursue, prosecute, litigate, institute or commence an action based on, assert, sell, use defensively, convey, assign or file any claim or cause of action that relates to an Avoidance Action or Other Cause of Action against, in each case, a related party of the Merchant; provided, further, that Other Assets shall not include any Excluded Assets.

NOW, THEREFORE, in consideration of the Purchase Price (as defined below) and the mutual covenants and agreements set forth in this Agreement, the Parties hereby agree as follows:

**Section 2. Appointment of Agent/Approval Order.** As soon as practicable after entry of the Bid Procedures Order, but in any event, no later than two (2) business days after entry of the Bid Procedures Order, Merchant shall file in the Bankruptcy Cases a motion, if necessary, and a proposed form of order (the “Approval Order”) in form and substance satisfactory to the Prepetition ABL Agent and the Prepetition FILO Agent (as defined in the Cash Collateral Order (as defined herein)) and the Agent. The Approval Order shall, among other things:

- (a) find that:
  - (i) this Agreement is in the best interest of Merchant, its estate and creditors, and other parties-in-interest;

- (ii) the Parties entered into this Agreement in good faith pursuant to Section 363(m) of the Bankruptcy Code and without collusion as described in Section 363(n) of the Bankruptcy Code;
- (iii) time is of the essence in effectuating this Agreement and proceeding with the GOB Sale at the Stores uninterrupted;
- (iv) Merchant's decision to enter into this Agreement and perform its obligations under this Agreement is a reasonable exercise of Merchant's sound business judgment consistent with its fiduciary duties and is in the best interests of Merchant, its estate, its creditors, and other parties-in-interest; and
- (v) this Agreement was negotiated in good faith and at arms' length and Agent is entitled to the protections of section 363(m) and 364(e) of the Bankruptcy Code; and

(b) order, adjudge, and decree that:

- (i) this Agreement and all of the transactions contemplated hereby are approved in their entirety;
- (ii) the Parties are authorized to continue to take any and all actions as may be necessary or desirable to implement this Agreement and each of the transactions contemplated hereby;
- (iii) following the satisfaction of the Debt Payoff, the Initial Wind-Down Payment, and the Initial Central Services Payment (each as defined herein) (together, the "Initial Purchase Price Funding"), and in accordance with this Agreement, and subject to Agent's compliance with its other obligations hereunder, Agent shall have the exclusive right to market and sell, or otherwise designate the purchasers, licensees, and/or assignees of, any or all of the Assets free and clear of all liens, claims, and encumbrances thereon (other than Permitted Encumbrances) without further order of the Bankruptcy Court;
- (iv) the sale, license, transfer, or other conveyance of any Assets (other than the Assets being sold pursuant to the GOB Sale, as to which no further notice shall be required) reflected in notices filed in the Bankruptcy Cases from time to time by Agent, substantially in the form annexed hereto as Exhibit 2(b)(iv) (each an "Asset Designation Notice"), shall be automatically effective on the date reflected in the applicable Asset Designation Notice and subject to the satisfaction of any closing conditions reflected therein, and the sale or other conveyance of such Assets shall be free and clear of all liens, claims, and encumbrances (other than Permitted Encumbrances) without further order of the Bankruptcy Court; provided, however, that nothing in the Approval

Order shall inhibit the ability of Agent to seek other or further orders of the Court in connection with the sale or other disposition of any Assets;

- (v) the form of Asset Designation Notice is approved;
- (vi) subject to Agent's compliance with its payment obligations under this Agreement and the Approval Order, Agent is authorized to execute, in the name of and as agent for Merchant, any and all deeds, bills of sale, and other instruments or documents necessary to effectuate the sale, transfer, or other conveyance of any of the Assets, none of which instruments or documents shall require Merchant to incur any obligations or other liabilities beyond the terms of this Agreement;
- (vii) following the satisfaction of the Initial Purchase Price Funding, all proceeds (cash or otherwise or payments from insurance on the Assets or Merchandise) of or from any of the Assets or Additional Agent Merchandise except as otherwise set forth in this Agreement and exclusive of amounts to pay Sales Taxes ("Proceeds"), including but not limited to all Proceeds arising from the sale, lease, licensing, assignment, or other disposition of any of the Assets and all service or other revenue received in the Stores, shall be the sole property of Agent, and Agent shall be entitled to retain all Proceeds for its own account;
- (viii) following the occurrence of the Closing, and the satisfaction of the Initial Purchase Price Funding, Merchant and any trustee appointed in the Bankruptcy Cases or any successor cases thereto shall hold the Assets (other than the Assets being sold through the GOB Sale) strictly in trust for the benefit of Agent and, as such, the Assets shall not constitute property of Merchant's bankruptcy estate pursuant to and consistent with 11 U.S.C. § 541(b)(1) at any time following the Closing;
- (ix) following the satisfaction of the Initial Purchase Price Funding, any Proceeds received by, or that otherwise come into the possession of, Merchant at any time after the Closing shall be segregated and held strictly in trust for the benefit of Agent, shall not be commingled with Merchant's own assets, and, as such, shall not become property of Merchant's bankruptcy estate pursuant to and consistent with 11 U.S.C. §541(b)(1), and shall be paid over to Agent promptly, but in any event, not later than in connection with each Weekly Sale Reconciliation;
- (x) following the satisfaction of the Initial Purchase Price Funding, and solely to the extent that any Assets or Proceeds are, notwithstanding the Approval Order, subsequently determined to constitute property of Merchant's estate, but subject to Agent's obligation to pay Expenses and fund the Wind-Down Payments, Agent shall have first priority, senior security interests and liens on all such Assets and Proceeds, which liens shall be deemed automatically perfected and (x) the

Merchant shall be expressly prohibited from granting any security interests or liens on the Assets and Proceeds thereof and (y) to the extent that any security interest or lien is granted or otherwise attaches, voluntarily or involuntarily, (other than the security interests and liens in favor of the Agent) to any Assets or Proceeds, such security interests and liens shall be *void ab initio* without further order of the Court; provided that nothing in the Approval Order shall inhibit Agent's ability, and the Approval Order shall expressly authorize Agent, to take any action Agent deems appropriate to perfect and enforce security interests and liens granted in its favor;

- (xi) following the satisfaction of the Initial Purchase Price Funding and subject to Agent's obligation to pay Expenses and fund the Wind-Down Payments, until all Assets have been sold or otherwise disposed of, and solely to the extent that any Assets or Proceeds are, notwithstanding the Approval Order, subsequently determined to constitute property of Merchant's estate, Agent shall have a superpriority administrative expense claim, which is senior to all other administrative expense claims (including any other superpriority administrative expense claims) against Merchant to the extent of any amounts owing from Merchant to Agent in connection with this Agreement, including as a result of any breach of this Agreement and/or as a result of any Proceeds being in Merchant's possession;
- (xii) the Lease/Contract Designation Rights are approved, and Agent is authorized to designate the assignees of any or all of the Contracts and Leases pursuant thereto;
- (xiii) Agent shall have the exclusive right to use the Stores and all other Assets for the purpose of conducting the GOB Sale, free of any interference from any entity or person, subject to compliance with this Agreement (including payment of Expenses and Wind-Down Payments) the Sale Guidelines (as defined below) and Approval Order;
- (xiv) Agent, as the exclusive agent for Merchant, is authorized to conduct, advertise, post signs, utilize sign-walkers, and otherwise promote the GOB Sale as a "going out of business", "store closing", "sale on everything", "everything must go", or similarly themed sale, in accordance with the Sale Guidelines (as the same may be modified and approved by the Bankruptcy Court), subject to compliance with the Sale Guidelines, the Approval Order, and all applicable federal, state, and local laws, regulations and ordinances, including, without limitation, all laws and regulations relating to advertising, privacy, consumer protection, occupational health and safety and the environment, together with all applicable statutes, rules, regulations and orders of, and applicable restrictions imposed by, governmental authorities (collectively, the "Applicable General Laws"), other than all applicable

laws, ordinances, rules, regulations, or licensing requirements in respect of “going out of business”, “store closing” or similarly-themed sales (collectively, the “Liquidation Sale Laws”); provided, however, that notwithstanding any other provision in the Approval Order, no party waives any rights to argue any position with respect to whether the conduct was in compliance with the Approval Order and/or any applicable law, or that the enforcement of such applicable law is preempted by the Bankruptcy Code;

- (xv) provided that the GOB Sale is conducted in accordance with and subject to the Sale Guidelines and the Approval Order, and in light of provisions in the laws of many Governmental Units (as defined in the Bankruptcy Code) that exempt court-ordered sales from their provisions, Agent and Merchant, to the extent applicable, will be presumed to be in compliance with any Liquidation Sale Laws and are authorized to conduct the GOB Sale in accordance with the terms of the Approval Order and the Sale Guidelines without the necessity of further showing compliance with any such Liquidation Sale Laws;
- (xvi) Agent may use all Intellectual Property consistent with Merchant’s ordinary course of business usage and in connection with the conduct of the GOB Sale;
- (xvii) unless otherwise ordered by the Bankruptcy Court, all newspapers and other advertising media in which the GOB Sale is advertised shall be directed to accept the Approval Order as binding and to allow the Parties to consummate the transactions provided for in this Agreement, including, without limitation, conducting and advertising the GOB Sale in the manner contemplated by this Agreement;
- (xviii) unless otherwise ordered by the Bankruptcy Court, all utilities, landlords, creditors, and other interested parties and all persons acting for or on their behalf shall not interfere with or otherwise impede the conduct of the GOB Sale, or institute any action in any forum other than the Bankruptcy Court that in any way directly or indirectly interferes with or obstructs or impedes the conduct of the GOB Sale;
- (xix) the Bankruptcy Court retains exclusive jurisdiction over the enforcement and interpretation of, and over and all matters arising from, this Agreement;
- (xx) Merchant is directed to provide weekly reporting to Agent of all amounts expended for Expenses and the Central Services Expenses as set forth in the Central Services Budget;
- (xxi) Merchant shall make its books and records reasonably available to Agent;

- (xxii) Agent shall not be liable for any claims against Merchant except as expressly provided for in this Agreement and Merchant shall not be liable for any claims against Agent except as expressly provided for in this Agreement;
- (xxiii) all payments made by Merchant on account of the Central Services Expenses shall be made pursuant to, and solely in accordance with, the Central Services Budget (on a line item basis);
- (xxiv) Agent shall neither have nor incur any obligation to advance or fund any amounts to or for Merchant except as set forth in this Agreement;
- (xxv) any amendment to or other modification of the Central Services Budget shall only be effective upon approval by Agent in its sole discretion;
- (xxvi) Agent is authorized to sell the Additional Agent Merchandise on the terms set forth herein, subject to the Sale Guidelines;
- (xxvii) Except as provided for herein, following the occurrence of the Closing, neither the Merchant nor any other entity acting on its behalf or as its successor (including but not limited to the any statutory committee appointed in the Bankruptcy Cases and any chapter 7 or 11 trustee) may recover from the Agent any costs or expenses of preserving, or disposing of, any of the Assets, this Agreement shall be binding on any chapter 7 or 11 trustee, and any subsequently appointed chapter 7 trustee is authorized to and shall conduct the business of the Merchant for the limited purposes of complying with and executing under and in accordance with this Agreement, all of the foregoing without further order of the Court;
- (xxviii) Agent and its designees are granted derivative standing to pursue the Avoidance Actions (subject to Section 11.2(f) below) and Other Causes of Action in the name of and/or on behalf of Merchant;
- (xxix) in the event any of the provisions of the Approval Order are modified, amended or vacated by a subsequent order of the Bankruptcy Court or any other court, Agent shall be entitled to the protections provided in Bankruptcy Code sections 363(m) and 364(e) and, no such appeal, modification, amendment or vacatur shall affect the validity and enforceability of the GOB Sale or the liens or priority authorized or created under this Agreement or the Approval Order;
- (xxx) neither Agent nor any entity comprising Agent is or shall be a mere continuation of Merchant or otherwise subject to successor liability in connection with any of the Assets;
- (xxxi) upon receipt by the ABL Agent and FILO Agent and certain other persons of the Debt Payoff as directed in the Payoff Letters pursuant to

Section 3.1(a) of this Agreement, all ongoing commitments under the Credit Agreement shall be canceled and terminated;

- (xxxii) to the extent Agent has not designated the Agent or other assignee of any Assets (any Assets so not designated by such date, the “Residual Assets”) as of May 31, 2025 (as may be amended by written agreement of the Parties, the “Asset Designation Rights Termination Date”), (1) ownership of all cash (on hand, in the bank, in transit, posted in respect of letters of credit or bonds or otherwise), credit card processing float, accounts receivable, notes receivable, credit card receivables, other receivables, deposits, security deposits, proceeds of retail sales in all of the Debtors’ retail store locations, rights to refunds, other rights to payment, Intellectual Property, and, subject to Section 7.1, ownership of all Remaining Merchandise, comprising Residual Assets shall vest in Agent or its designee, and (2) ownership of all other Residual Assets shall revert to the Debtors’ estates, each on the Designation Rights Termination Date;
- (xxxiii) the Final Reconciliation (as defined below), once agreed to by Merchant and Agent, shall be automatically deemed approved pursuant to Bankruptcy Code section 105(a) and Rule 9019 of the Federal Rules of Bankruptcy Procedure without further order of the Bankruptcy Court or action by any party; and
- (xxxiv) this Agreement, the Approval Order, and all provisions hereof and thereof are binding on any successor to Merchant, including but not limited to any chapter 7 or chapter 11 trustee, and subject to Agent’s obligation to pay Expenses and fund the Wind-Down Payments, any such successor shall continue to hold all Assets and Proceeds strictly in trust for the benefit of Agent.

### **Section 3. Consideration to Merchant and Agent.**

3.1 Purchase Price. The aggregate consideration being provided to Merchant in exchange for Agent’s rights and Merchant’s obligations under this Agreement is as follows (collectively, the “Purchase Price”):

(a) Debt Payoff. On the Closing Date, in accordance with payoff letters by each of the ABL Agent (the “ABL Payoff Letter”) and FILO Agent (the “FILO Payoff Letter” and, together with the ABL Payoff Letter, the “Payoff Letters”) in form and substance satisfactory to each such party, Agent shall:

(i) to the ABL Agent, for the benefit of the ABL Lenders, and certain other persons as directed in the ABL Payoff Letter, (a) pay the amount in cash necessary to indefeasibly pay in full in cash all Repetition Revolving Obligations (as defined in the Cash Collateral Order), including, without limitation, all outstanding principal, accrued interest, fees, costs and expenses (including, without limitation, all attorneys’ fees, costs and expenses), and

(b) provide and/or post cash collateral for (and/or replacement of) any issued and outstanding letters of credit (in form and substance acceptable to the Prepetition ABL Agent), in each case in accordance with and as set forth in the ABL Payoff Letter (such amounts and other consideration, the “ABL Payoff”); and

(ii) pay to the FILO Agent, for the benefit of the FILO Lenders, and certain other persons as directed in the FILO Payoff Letter, the amount in cash necessary to indefeasibly pay in full in cash all Prepetition FILO Obligations (as defined in the Cash Collateral Order), including, without limitation, all outstanding principal, accrued interest, fees, costs and expenses (including, without limitation, all attorneys’ fees, costs and expenses) and make whole obligations, all as set forth in the FILO Payoff Letter (such amounts and other consideration, the “FILO Payoff” and, together with the ABL Payoff, the “Debt Payoff”).

(b) Wind-Down Funding. At Closing, Agent shall make an initial cash payment to Merchant equal to sixty-five percent (65%) of the Wind-Down Budget (the “Initial Wind-Down Payment”). Thirty (30) days after the Closing, Agent shall make a second cash payment to Merchant equal to thirty-five percent (35%) of Wind-Down Budget (the “Second Wind-Down Payment” and, together with the Initial Wind-Down Payment, the “Wind-Down Payments”). The Wind-Down Payments shall not exceed the amounts set forth in Exhibit 3.1(b) (the “Wind-Down Budget”); provided, however, that, solely with respect to the 503(b)(9) Claim subcategory of the Wind-Down Budget, any amounts that have not been expended by Merchant as of the Designation Rights Termination Date shall be returned to Agent upon the earlier of (i) the dismissal or conversion of the Bankruptcy Cases; or (ii) the effective date of a plan of liquidation of Merchant. With respect to the 503(b)(9) Claim subcategory, Merchant agrees not to make any payments until the date that is 60 days from the Closing (unless extended upon mutual agreement between Merchant and Agent). Merchant shall keep Agent informed on a timely basis of its efforts to reconcile 503(b)(9) claims and shall use best efforts to negotiate settlements with respect to the 503(b)(9) claims, in consultation with Agent.

(c) Central Services Funding. At Closing, Agent shall make an initial cash payment to Merchant equal to the agreed upon estimated amount to be incurred in the two weeks following Closing, in an amount set forth in the Central Services Budget (the “Initial Central Services Payment”). After Closing, from time to time, Agent, upon request by the Merchant, shall make additional payments to Merchant on account of the Central Services Expenses (the “Subsequent Central Services Payments” and, together with the Initial Central Services Payment, the “Central Services Payments”). The Central Services Payments are subject to and to be used solely as set forth in the budget and schedule attached as Exhibit 3.1(c) hereto (as may be amended from time to time by agreement of the Parties, subject to approval by Agent in its sole discretion, the “Central Services Budget”). Merchant shall provide Agent with a register of all payments Merchant intends to issue for Central Services Expenses at least one business day before issuance, which register shall identify the amounts and expense categories of such payments. Any portion of the Subsequent Central Services Payments not expended by Merchant as of the Designation Rights Termination Date shall be returned to Agent upon the earlier of (i) the dismissal or conversion of the Bankruptcy Cases; or (ii) the effective date of a plan of liquidation of Merchant. For the avoidance of doubt, Agent’s obligation to fund the Central Services Payments shall not exceed the Central Services Budget; provided, however, that, in accordance with Section 4.1, Agent shall be responsible for the payment of any Central Services Expenses in

excess of the Central Services Budget to the extent such expenses are incurred at the direction of the Agent, to facilitate Agent's conduct under this Agreement, or otherwise as agreed to by the Agent in writing.

(d) Expenses. Subject to and only upon Closing, Agent shall be responsible for the payment of all Expenses pursuant to Section 4.1 below.

3.2 Consideration to Agent.

(a) Proceeds. Upon the occurrence of the Closing and following the satisfaction of the Initial Purchase Price Funding, all Proceeds (including proceeds from Additional Agent Merchandise) shall be the exclusive property of Agent.

(b) Assets and Proceeds Held in Trust. Merchant shall hold all of the Assets in trust for the benefit of Agent. Any Proceeds received by, or that otherwise come into the possession of, Merchant at any time after the Closing shall be segregated and held strictly in trust for the benefit of Agent, shall not be commingled with Merchant's own assets, shall not become property of Merchant's bankruptcy estate, and shall be paid over to Agent promptly upon receipt by Merchant or upon notice received by Merchant from Agent, but in any event no later than the Weekly Sale Reconciliation.

(c) Remaining Merchandise. To the extent that there is Merchandise remaining at the Sale Termination Date (the "Remaining Merchandise"), such Remaining Merchandise shall be deemed automatically transferred to Agent free and clear of all liens, claims, and encumbrances (other than Permitted Encumbrances). Agent and its affiliates shall be authorized to sell or otherwise dispose of the Remaining Merchandise with all logos, brand names, and other Intellectual Property intact, and shall be authorized to advertise the sale of the Remaining Merchandise using the Intellectual Property.

3.3 Proceeds of GOB Sales.

(a) Following the satisfaction of the Initial Purchase Price Funding, Agent may (but shall not be required to) establish its own accounts (including without limitation credit card accounts and systems), dedicated solely for the deposit of the Proceeds of the GOB Sales (including Proceeds from Additional Agent Merchandise) (the "GOB Sale Proceeds") and the disbursement of amounts payable to Agent in connection with the GOB Sales (the "Agency Accounts"); and Merchant shall promptly, upon Agent's reasonable request, execute and deliver all necessary documents to open and maintain the Agency Accounts, at no additional cost to Merchant; provided, however, Agent shall have the right, in its sole and absolute discretion, to continue to use the Merchant Designated Deposit Accounts (as defined below) as the Agency Accounts in which case the Merchant Designated Deposit Accounts shall be deemed to be Agency Accounts. Agent shall exercise sole signatory authority and control with respect to the Agency Accounts. The Agency Accounts shall be dedicated solely to the deposit of GOB Sale Proceeds and other amounts contemplated by this Agreement in connection with the GOB Sale and the distribution of amounts payable hereunder in connection with the GOB Sale. Merchant shall not be responsible for, and Agent shall pay as an Expense hereunder, all bank fees and charges, including wire transfer charges, related to the GOB Sale and the Agency Accounts. Following

Agent's notice to Merchant of Agent's designation of the Agency Accounts (other than the Merchant Designated Deposit Accounts), all GOB Sale Proceeds (including credit card GOB Sale Proceeds) shall be deposited into the Agency Accounts.

(b) Agent shall have the right to use Merchant's credit card facilities, including Merchant's credit card terminals and processor(s), credit card processor coding, Merchant's identification number(s) and existing bank accounts for credit card transactions relating solely to the GOB Sale; provided, that, Agent's use of any such credit card facilities is in compliance with Applicable General Laws and industry standards, including the Payment Card Industry Data Security Standard ("PCI-DSS"). In the event that Agent elects to use Merchant's credit card facilities, Merchant shall process credit card transactions on behalf of Agent and for Agent's account, applying Merchant's customary practices and procedures. Without limiting the foregoing, Merchant shall make reasonable efforts to (i) cooperate with Agent to download data from all credit card terminals each day during the Sale Term to effect settlement with Merchant's credit card processor(s), and (ii) take such other actions necessary to process credit card transactions on behalf of Agent under Merchant's identification number(s). At Agent's request, Merchant shall cooperate with Agent to establish Merchant's identification numbers under Agent's name to enable Agent to process all such credit card GOB Sale Proceeds for Agent's account. Merchant shall not be responsible for, and Agent shall pay as an Expense hereunder, all credit card fees, charges, and chargebacks related to the GOB Sale, whether received during or after the Sale Term. Agent shall not be responsible for, as an Expense or otherwise, any credit card fees, charges, or chargebacks relating to periods prior to the Closing.

(c) Unless and until Agent establishes its own Agency Accounts (other than the Merchant Designated Deposit Accounts), all GOB Sale Proceeds and other amounts contemplated by this Agreement (including credit card GOB Sale Proceeds), shall be collected by Merchant and deposited on a daily basis into depository accounts owned in the name of Merchant and designated solely for the deposit of GOB Sale Proceeds and other amounts contemplated by this Agreement (including credit card GOB Sale Proceeds), and the disbursement of amounts payable to or by Agent hereunder (the "Merchant Designated Deposit Accounts"). All funds in the Merchant Designated Deposit Accounts shall at all times be held in trust for the benefit of Agent. The Merchant Designated Deposit Accounts shall be cash collateral accounts, with all cash, credit card payments, checks and similar items of payment, deposits and any other amounts in such accounts being GOB Sale Proceeds or other amounts contemplated hereunder, and Merchant hereby grants to Agent a first-priority senior security interest in and lien upon each of the Merchant Designated Deposit Accounts and all funds on deposit in such accounts from and after the Closing.

(d) Merchant shall take all actions necessary to designate Agent as an authorized signer on all Merchant Designated Deposit Accounts and to grant Agent the ability to initiate wire transfers from such Merchant Designated Deposit Accounts.

(e) On each business day to the extent practicable, Merchant shall promptly pay to Agent by wire transfer all funds in the Merchant Designated Deposit Accounts (including, without limitation, GOB Sale Proceeds, GOB Sale Proceeds from credit card sales, and all other amounts) deposited into the Merchant Designated Deposit Accounts for the prior day(s).

#### **Section 4. Expenses.**

4.1 Subject to and only upon Closing, Agent shall be responsible for all “Expenses,” which shall be paid by Agent in accordance with Section 4.3 below. As used herein, “Expenses” shall mean the actual operating expenses that arise solely after Closing through the Sale Termination Date, that are incurred at the direction of the Agent, to facilitate Agent’s conduct under this Agreement, or otherwise as agreed to by the Agent in writing, which are strictly limited to the following expenses:

(a) actual hourly or salaried payroll, as applicable, with respect to all Retained Employees and any temporary labor engaged for the GOB Sale that are used in connection with conducting the GOB Sale for actual days/hours worked;

(b) any amounts related to (i) benefits arising, accruing or attributable to the period between the Closing and the Sale Term: (w) vacation days or vacation pay, (x) sick days or sick leave or any other form of paid time off, (y) maternity leave or other leaves of absence, and (z) ERISA coverage and similar contributions, and (ii) any amounts payable by Merchant for benefits (including FICA, unemployment taxes, workers’ compensation and healthcare insurance, but excluding Excluded Payroll Benefits) for Retained Employees used in the GOB Sale (the “Payroll Benefits”);

(c) subject to Section 6.1, the actual Occupancy Expenses in the amounts shown on Exhibit 4.1(c);

(d) Retention Bonuses, if applicable, for Retained Employees, as provided for in Section 9.4 below;

(e) advertising and direct mailings initiated by Agent relating to the GOB Sale, Store interior and exterior signage and banners procured by Agent, and sign-walkers or drivers procured by Agent, in each case relating to the GOB Sale;

(f) credit card fees, bank card fees, and chargebacks and credit/bank card discounts with respect to Merchandise sold in the GOB Sale;

(g) bank service charges (for Store, corporate accounts, and Agency Accounts), check guarantee fees, and bad check expenses to the extent directly attributable to the GOB Sale;

(h) costs for additional Supplies at the Stores necessary to conduct the GOB Sale as solely to the extent requested by Agent;

(i) all fees and charges required to comply with applicable laws in connection with the GOB Sale solely to the extent agreed to by Agent;

(j) Store cash theft and other Store cash shortfalls in the registers;

(k) any Central Services Expenses in excess of the Central Services Budget to the extent such expenses are incurred at the direction of the Agent, to facilitate Agent’s conduct under this Agreement, or otherwise as agreed to by the Agent in writing.

- (l) the Distribution Center Expenses;
- (m) postage, courier and overnight mail charges requested by Agent to the extent relating to the GOB Sale;
- (n) third party payroll processing expenses associated with the GOB Sale; and
- (o) costs of transfers initiated by Agent of Merchandise and Additional Agent Merchandise between and among the Stores and Distribution Centers during the Sale Term, including delivery and freight costs, it being understood that Agent shall be responsible for coordinating such transfer of Merchandise.

Notwithstanding anything herein to the contrary, there will be no double counting or double payment of Expenses to the extent that Expenses appear or are contained in more than one Expense category.

As used herein, the following terms have the following respective meanings:

- (i) "Central Services Expenses" means the actual costs and expenses, including related to Merchant's central administrative services necessary for the GOB Sale, including, but not limited to, operation of the IT systems, internal payroll processing, MIS services, cash and inventory reconciliation, data processing and reporting, information technology updates, functionality and maintenance of the corporate headquarters, legal, human resources, accounting, and functionality and maintenance of Merchant's e-commerce site for purposes of advertising the GOB Sale (collectively, "Central Services").
- (ii) "Excluded Payroll Benefits" means (i) the following benefits arising, accruing or attributable to the period prior to Closing or after the Sale Termination Date, if any: (w) vacation days or vacation pay, (x) sick days or sick leave or any other form of paid time off, (y) maternity leave or other leaves of absence, and (z) ERISA coverage and similar contributions and/or (ii) any payments due under WARN Act or similar state laws.
- (iii) "Distribution Center Expenses" means the actual costs and expenses, including use and Occupancy Expenses and Distribution Center employee payroll, both hourly and salary, and other obligations, of the operations of the Distribution Centers, and the actual costs and expenses (including outbound freight) related to the processing, transfer, and consolidation of Merchandise, Additional Agent Merchandise, and supplies in the Distribution Centers and from the Distribution Centers to the Stores, and all actual costs and expenses associated with Agent's on-site supervision of the Stores, corporate offices and Distribution Centers, including (but not limited to) any and all fees, wages, taxes, third party payroll costs and expenses, and deferred compensation of Agent's field personnel, travel to, from or between the Stores, corporate offices, and Distribution Centers, and out-of-pocket and commercially reasonable expenses relating thereto (including reasonable and documented corporate travel to monitor and manage the GOB Sale).
- (iv) "Occupancy Expenses" means base rent, percentage rent, HVAC, utilities, CAM, storage costs, real estate and use taxes, Merchant's association dues and expenses, utilities expenses, cash register maintenance, routine repairs, building maintenance, trash and snow

removal, housekeeping and cleaning expenses, local and long-distance telephone and internet/wifi expenses, security (including, without limitation, security systems, courier and guard service, building alarm service and alarm service maintenance), and rental for furniture, fixtures and equipment; provided that the Occupancy Expenses shall not exceed shall not exceed the amount set forth on Exhibit 4.1(c).

(v) “Third Party” means, with reference to any Expenses to be paid to a Third Party, a party which is not affiliated with or related to Merchant.

(vi) Notwithstanding any other provision of this Agreement to the contrary, “Expenses” shall not include any other costs, expenses or liabilities payable by Merchant not provided for herein, all of which shall be paid solely by Merchant.

#### 4.2 Payment of Expenses.

Subject to and only upon Closing, Agent shall be responsible for the payment of all Expenses out of Proceeds (or from Agent’s own accounts if and to the extent there are insufficient Proceeds). All Expenses incurred during each week of the GOB Sale (*i.e.* Sunday through Saturday) shall be paid by Agent to or on behalf of Merchant, or paid by Merchant and thereafter reimbursed by Agent as provided for herein; provided, however, in the event that the actual amount of an Expense is unavailable on the date of the reconciliation (such as payroll), Merchant and Agent shall agree to an estimate of such amounts, which amounts will be reconciled once the actual amount of such Expense becomes available. To the extent necessary or appropriate, Agent shall work with Merchant in good faith to fund Expenses in advance as needed to ensure the timely payment thereof. Agent and/or Merchant may review or audit the Expenses at any time. To the extent such Expenses are paid by Merchant, Merchant shall provide Agent with payments that Merchant intends to issue for such Expenses at least one business day before issuance, which register shall identify amounts and expense categories of such payments.

### Section 5. Merchandise.

#### 5.1 Merchandise Subject to This Agreement.

(a) “Excluded Goods” means all (1) goods that are not owned by Merchant, including but not limited to goods that belong to sublessees, licensees, department lessees, or concessionaires of Merchant and (2) goods held by Merchant on memo, on consignment (except to the extent otherwise agreed by the applicable consignor), or as bailee. Merchant shall be solely responsible for the disposition and/or abandonment of all Excluded Goods and all costs, expenses, and obligations associated therewith. Agent shall incur no cost, expense, or obligation in connection with any Excluded Goods.

(b) “Merchandise” means all goods owned by Merchant for resale as of the occurrence of the Closing, wherever located, including, for clarity, all goods that are on-order or in-transit as of the Closing, other than Excluded Goods.

**5.2 Valuation.**

(a) “Cost Value” shall mean, with respect to each item of Merchandise, the lower of (i) the lower of (x) the actual cost of such item and (y) the lowest cost of such item as reflected in the Merchandise File and (ii) the Retail Price.

(b) “Retail Price” shall mean with respect to each item of Merchandise, the lower of the lowest ticketed, marked, shelf, Merchandise File, or other file price as reflected in Merchant’s books and records for such item.

(c) “Merchandise File” shall mean “7.10\_Project Thread – Current Inventory By Article.xlsx” and all subsequent and/or refreshed files received by Agent from and after the date of this Agreement.

**5.3 Inventory Count.**

During the Sale Term, for purposes of counting the Merchandise and determining the Merchandise Threshold, Merchant and Agent shall jointly keep (i) a strict count of gross register receipts from the sale of Merchandise, less applicable taxes and excluding any prevailing Sale-related discounts (“Gross Rings”), and (ii) cash reports of sales within each Store. Register reports shall show for each item sold the Cost Value and Retail Price for such item and the markdown or discount, if any, specifically granted by the Agent. All such records and reports shall be made available to Merchant and Agent during regular business hours upon reasonable notice.

**Section 6. Sale Term.**

6.1 Term. Subject to satisfaction of the conditions precedent set forth in Section 10 hereof, the GOB Sale shall commence at each Store on a date determined by Agent in its sole discretion after the occurrence of the Closing (the “Sale Commencement Date”) and shall end at each Store no later than May 31, 2025 (the “Sale Termination Date”, and the period from the Sale Commencement Date to the Sale Termination Date as to each Store being the “Sale Term”). Agent may, in its discretion, earlier terminate the GOB Sale on a Store-by-Store basis or close a Distribution Center, upon written notice to Merchant at least five (5) days prior to the end of a calendar month (a “Vacate Notice”) and vacate such Store or Distribution Center, in accordance with Section 6.2, by the end of such calendar month (the “Vacate Date”); provided, however, that Agent’s obligations to pay all Expenses, including Occupancy Expenses, for each Store or Distribution Center, as applicable, subject to a Vacate Notice shall continue only until the applicable Vacate Date.

6.2 Vacating the Stores. At the conclusion of the GOB Sale, Agent agrees to leave each Store in “broom clean” condition, ordinary wear and tear excepted, except for unsold items of Owned FF&E which may be abandoned by Agent in place in a neat and orderly manner pursuant to Section 7 below. Agent shall vacate each Store or Distribution Center on or before the earlier of (a) the Sale Termination Date or, if applicable, (b) the Vacate Date, as provided for herein, at which time Agent shall surrender and deliver the Store or Distribution Center premises, and, if in Agent’s possession, keys, to Merchant unless the applicable Lease is being conveyed pursuant to the Lease/Contract Designation Rights. Notwithstanding the foregoing, Agent’s

obligations to pay all Expenses for the Stores and Distribution Centers shall be limited as provided for in Section 6.1.

### **Section 7. FF&E/ Merchandise.**

7.1 Abandonment of FF&E/Merchandise. Agent shall be authorized to abandon any and all FF&E or Remaining Merchandise, whether owned or not by Merchant, in place without any cost or liability to Agent. For the avoidance of doubt, Agent shall have no responsibility whatsoever with respect to FF&E that is not owned by Merchant; provided that nothing in this Section 7 shall limit Agent's rights with respect to Owned FF&E under the Asset Designation Rights or with respect to leased FF&E under the Lease/Contract Designation Rights.

### **Section 8. Conduct of the GOB Sale.**

8.1 Rights of Agent. Subject to entry of the Approval Order, in addition to any other rights granted to Agent elsewhere in this Agreement, Agent shall be permitted to conduct the GOB Sale as a "going out of business," "store closing," "sale on everything," "everything must go," or similarly themed sale throughout the Sale Term, without compliance with any Liquidation Sale Laws, subject to the Approval Order. Agent shall conduct the GOB Sale in the name of and on behalf of Merchant in a commercially reasonable manner and in compliance with the terms of this Agreement and Applicable General Laws and subject to the Approval Order. Agent shall conduct the GOB Sale in accordance with the sale guidelines attached hereto as Exhibit 8.1 (the "Sale Guidelines"). In addition to any other rights granted to Agent hereunder in conducting the GOB Sale, Agent shall have the right:

(a) to establish GOB Sale prices and discounts and Store hours;

(b) except as otherwise expressly included as an Expense, to use without charge during the Sale Term all FF&E, IT Systems, existing Supplies, intangible assets (including Merchant's name, logo and tax identification numbers and, other Intellectual Property), Store keys, case keys, security codes and safe and lock combinations required to gain access to and operate the Stores, and any other assets of Merchant located at the Stores or Distribution Centers (whether owned, leased, or licensed), solely to the extent such use does not violate any Applicable General Law;

(c) (i) subject to satisfaction of Agent's payment obligations under this Agreement, to be provided by Merchant with central office facilities, central administrative services and personnel to process and perform Central Services and provide other central office services reasonably necessary for the GOB Sale; (ii) to use reasonably sized offices located at Merchant's central office facility to effect the GOB Sale; and (iii) to use all customer lists, mailing lists, email lists, and web and social networking sites and other Intellectual Property utilized by Merchant in connection with its business (to the extent such items can be segregated to the Stores or Distribution Centers and solely in connection with the GOB Sale and subject to Applicable General Laws and any other restrictions requested by Merchant in order for Merchant and Agent to comply with Merchant's privacy policies, contracts, agreements, or applicable laws governing the use and dissemination of personal or confidential information, including consumer personal data);

(d) to establish and implement advertising, signage and promotion programs consistent with the “going out of business,” “store closing,” “sale on everything,” “everything must go,” or similarly themed sale, including without limitation by means of media advertising, and similar interior and exterior signs and banners, and the use of sign walkers or drivers, each at Agent’s sole cost as an Expense;

(e) to include Additional Agent Merchandise in the GOB Sale in accordance with Section 8.9; and

(f) to transfer Merchandise between and among the Stores and Distribution Centers.

8.2 Terms of Sales to Customers; Final/As Is Sales. During the Sale Term, all sales of Merchandise and Additional Agent Merchandise will be “final sales” and “as is,” and appropriate signage and sales receipts will reflect the same. Agent shall not warrant the Merchandise in any manner, but will, to the extent legally permissible, pass on all manufacturers’ warranties to customers. Except as otherwise provided herein, during the Sale Term, all sales will be made only for cash or nationally recognized bank credit or debit cards. Upon entry of the Approval Order, Agent shall not accept or honor coupons during the Sale Term. Agent shall clearly mark all receipts for the Merchandise sold at the Stores during the Sale Term so as to distinguish the sale of such Merchandise from the goods sold prior to the Sale Commencement Date.

### 8.3 Tax Matters.

(a) During the Sale Term, all sales, use, excise, gross receipts and other taxes attributable to sales of Merchandise and Additional Agent Merchandise, as indicated on Merchant’s point of sale equipment (other than taxes on net income) payable to any taxing authority having jurisdiction (collectively, “Sales Taxes”) shall be added to the sales price of Merchandise and Additional Agent Merchandise and collected by Agent, on Merchant’s behalf, at the time of sale. All Sales Taxes shall be deposited into a segregated account designated by Merchant and Agent solely for the deposit of such Sales Taxes (the “Sales Taxes Account”). For the avoidance of doubt, Merchant will have payment authority on the Sales Taxes Account from inception until Merchant no longer has any obligation with respect to the payment of Sales Taxes hereunder. For any Sales Taxes Account that Agent obtains control or payment authority over, Agent agrees to remit any funds in such Sales Taxes Account to Merchant. Merchant shall prepare and file all applicable reports and documents required by the applicable taxing authorities with respect to Sales Taxes incurred on transactions processed under Merchant’s identification number(s), and Merchant shall promptly pay all such Sales Taxes from the Sales Taxes Account. Merchant will be given access to the computation of gross receipts for verification of all such tax collections. Provided that Agent performs its responsibilities in accordance with this Agreement, Agent shall have no further obligation to Merchant, any taxing authority, or any other party, and Merchant shall indemnify and hold harmless Agent from and against any and all reasonable out-of-pocket costs, including, but not limited to, reasonable attorneys’ fees, assessments, fines or penalties, which Agent sustains or incurs as a result or consequence of the failure by Merchant to promptly pay such taxes to the proper taxing authorities and/or the failure by Merchant to promptly file with such taxing authorities all reports and other documents required by applicable law to be

filed with or delivered to such taxing authorities. If Agent fails to perform its responsibilities in accordance with this Section 8.3, and provided Merchant complies with its obligations hereunder, Agent shall indemnify and hold harmless Merchant from and against any and all costs, including, but not limited to, reasonable attorneys' fees, assessments, fines or penalties which Merchant sustains or incurs as a result or consequence of the failure by Agent to collect Sales Taxes and/or the failure by Agent to promptly deliver any and all reports and other documents required to enable Merchant to file any requisite returns with such taxing authorities. Agent shall use commercially reasonable efforts to cooperate with Merchant to obtain any tax refunds in respect of Sales Taxes.

(b) Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall be interpreted as establishing the federal, state, or local tax consequences of the transactions contemplated by this Agreement.

(c) Agent shall, and shall cause each of its respective affiliates to, use commercially reasonable efforts to cooperate and consult with Merchant with respect to applicable Sales Taxes matters and other tax matters reasonably associated with the transactions contemplated by this Agreement, including the preparation and filing of applicable tax reports, returns, and documents (including applicable allocations of purchase price) required by the applicable taxing authorities with respect thereto and any audit, litigation, or other proceeding with respect thereto.

(d) Agent shall be responsible for all documentary, stamp, transfer (including real property transfer), motor vehicle registration, sales, use, value added, excise, and other similar non-income taxes and all filing and recording fees (and any interest, penalties and additions with respect to such taxes and fees) arising from or relating to the consummation of the transactions contemplated by this Agreement (collectively, "Transfer Taxes"), regardless of the party on whom liability is imposed under the provisions of the applicable laws relating to such Transfer Taxes. Merchant and Agent will consult and cooperate on a reasonable basis in preparing and timely filing all tax returns, declarations, reports, estimates, information returns or other statements (collectively, "Tax Returns") with respect to any Transfer Taxes and will cooperate on a reasonable basis and otherwise take reasonable best efforts to obtain any available exemptions from or reductions in such Transfer Taxes.

(e) Merchant shall provide to Agent a properly completed and duly executed IRS Form W-9 on behalf of each Selling Entity on or prior to the Closing Date.

8.4 Supplies. Agent shall have the right to use, without charge, all existing supplies located at the Stores, Distribution Centers and corporate office(s), including, without limitation, boxes, bags, paper, twine and similar sales materials (collectively, "Supplies"); provided, however, that the term "Supplies" does not include any IT System. In the event that additional Supplies are required in any of the Stores during the GOB Sale, Merchant agrees to promptly provide the same to Agent, if available, for which Agent shall reimburse Merchant at Merchant's cost therefor as set forth in Section 4 hereof.

8.5 Returns of Merchandise. After the Closing Date, Merchant shall modify its return policy such that all sales are "final" as of the Closing Date. Agent shall accept returns of goods sold by Merchant for fourteen (14) days following the Closing Date. Following such date, the Agent shall have no obligation to accept returns of goods sold.

8.6        Gift Certificates, Credits. By the Closing Date, Merchant shall use commercially reasonable best efforts to modify its gift certificate, coupon, and loyalty program policies such that Merchant's gift cards, gift certificates, coupons and credits will only be accepted during the fourteen (14) day period following the Closing and that Merchant's loyalty program will be terminated as of the Closing. Following such date, Agent shall have no obligation to accept gift cards, gift certificates, coupons and credits or honor any of Merchant's loyalty programs during the Sale Term. After the Petition Date, Merchant shall discontinue the sale of gift certificates and gift cards and use commercially reasonable best efforts to direct any third-party merchants to stop the sale of such gift certificates and gift cards.

8.7        Right to Monitor. Merchant shall have the right to monitor the GOB Sale and activities attendant thereto and to be present in the Stores during the hours when the Stores are open for business; provided that Merchant's presence does not unreasonably disrupt the conduct of the Sale. Merchant shall also have a right of access to the Stores at any time in the event of an emergency situation and shall promptly notify Agent of such emergency.

8.8        Sale Reconciliation. On each Wednesday during the Sale Term, Agent and Merchant shall cooperate to reconcile the sales of Merchandise and Additional Agent Merchandise, the sale of FF&E, Expenses, make payments/setoffs on account of the GOB Sale Proceeds and reconcile such other GOB Sale-related items as either party shall reasonably request, in each case for the prior week or partial week (i.e. Sunday through Saturday), all pursuant to procedures agreed upon by Merchant and Agent (the "Weekly Sale Reconciliation"). Within thirty (30) days after the end of the Sale Term, or as soon as practicable thereafter, Agent and Merchant shall complete a final reconciliation of the Sale (the "Final Reconciliation"), the written results of which shall be certified by representatives of each of the Merchant and Agent as a final settlement of accounts between the Merchant and Agent with respect to the GOB Sale. Within five (5) days after the completion of the Final Reconciliation and execution of a settlement letter including an appropriate mutual release for the benefit of Merchant and Agent, Agent shall pay to Merchant, or Merchant shall pay to Agent, as the case may be, any and all amounts due the other pursuant to the Final Reconciliation. The Approval Order shall provide that the Final Reconciliation, once agreed to by Merchant and Agent, shall be automatically deemed approved pursuant to Bankruptcy Code section 105(a) and Rule 9019 of the Federal Rules of Bankruptcy Procedure without further order of the Bankruptcy Court or action by any party. During the Sale Term, and thereafter until all of Merchant's and Agent's obligations under this Agreement have been satisfied, Merchant and Agent shall have reasonable access to each other's records with respect to the GOB Sale (including, but not limited to Merchandise, Additional Agent Merchandise, GOB Sale Proceeds, and Expenses) to review and audit such records.

8.9        Additional Agent Merchandise.

(a)        Agent shall be entitled to include in the Sale additional merchandise procured by Agent, which is of like kind as, and no lesser quality than, the Merchandise located in the Stores or Distribution Centers ("Additional Agent Merchandise"). Agent shall be responsible for payment of all costs associated with any Additional Agent Merchandise. All proceeds of the sale of Additional Agent Merchandise shall remain the exclusive property of Agent.

(b) The Additional Agent Merchandise shall be at all times subject to the control of Agent. If requested by Agent, Merchant shall, at Agent's expense, ensure the Additional Agent Merchandise and, if required, promptly file any proofs of loss with regard to same with Merchant's insurers.

(c) Any transactions relating to the Additional Agent Merchandise are, and shall be construed as, a true consignment from Agent to Merchant. Merchant acknowledges, and the Approval Order (as and when applicable) shall provide, that the Additional Agent Merchandise shall be consigned to Merchant as a true consignment under Article 9 of the Uniform Commercial Code in effect in the State of Delaware (the "UCC"). Agent is hereby, and shall be through the Approval Order, granted a first priority security interest in and lien upon (i) the Additional Agent Merchandise and (ii) the Additional Agent Merchandise Proceeds, which security interest shall be deemed perfected pursuant to the Approval Order without the requirement of filing UCC financing statements or providing notifications to any prior secured parties; provided that Agent is hereby authorized to deliver any notices and file any financing statements and amendments thereof under the applicable UCC identifying Agent's interest in the Additional Agent Merchandise and any proceeds from the sale thereof as consigned goods thereunder and Merchant as the consignee therefor, and Agent's security interest in such Additional Agent Merchandise and Additional Agent Merchandise proceeds.

(d) Agent shall provide signage in the Stores notifying customers that the Additional Agent Merchandise has been included in the Sale.

8.10 Force Majeure. If any casualty, act of war or terrorism, act of God, or epidemic or pandemic prevents the conduct of business in the ordinary course at any Store for a period in excess of five (5) consecutive days (a "Force Majeure Event"), such Store and the Merchandise located at such Store may, in Agent's sole discretion, be eliminated from the Sale and considered to be deleted from this Agreement as of the first date of such event, and Agent and Merchant shall have no further rights or obligations hereunder with respect thereto; provided, however, that the proceeds of any insurance attributable to such Merchandise shall constitute Proceeds hereunder and there shall be no adjustment to the Purchase Price.

## **Section 9. Employee Matters.**

9.1 Merchant's Employees. Subject to the Central Services Budget and payment of Expenses, Agent may use Merchant's employees in the conduct of the GOB Sale to the extent Agent deems necessary for the GOB Sale, and Agent may select and schedule the number and type of Merchant's employees required for the GOB Sale. Agent shall identify any such employees to be used in connection with the GOB Sale (each such employee, a "Retained Employee") prior to the Sale Commencement Date. Notwithstanding the foregoing, Merchant's employees shall at all times remain employees of Merchant. Agent's selection and scheduling of Merchant's employees shall at all times comply with all applicable collective bargaining agreements, laws and regulations. Merchant and Agent agree that, except to the extent that wages and benefits of Retained Employees constitute Expenses hereunder, nothing contained in this Agreement and none of Agent's actions taken in respect of the GOB Sale shall be deemed to constitute an assumption by Agent of any of Merchant's obligations relating to any of Merchant's employees including, without limitation, Worker Adjustment Retraining Notification Act

(“WARN Act”) claims and other termination type claims and obligations, or any other amounts required to be paid by statute or law; nor shall Agent become liable under any employment agreement, collective bargaining agreement, or be deemed a joint or successor employer with respect to such employees. For the avoidance of doubt, Merchant shall be responsible for providing any required notice under the WARN Act or state laws with respect to its employees and otherwise comply with the WARN Act or state laws with respect to any “plant closing” or “mass layoff” (as defined in the WARN Act) or group termination or similar event affecting the employees, whether before or after the date of this Agreement. Merchant shall not, without the prior consent of Agent, raise the salary or wages or increase the benefits for, or pay any bonuses or other extraordinary payments to, any Store or Distribution Center employees prior to the Sale Termination Date. Merchant shall not transfer any employee in anticipation of the GOB Sale nor any Retained Employee during the Sale Term, in each case without Agent’s prior consent, not to be unreasonably withheld. To the extent reasonably requested in writing by Agent, and at Agent’s expense, Merchant shall use commercially reasonable efforts to hire additional temporary employees to facilitate the GOB Sale, which employees shall constitute Retained Employees for purposes of this Agreement.

9.2            Termination of Employees. Agent may in its discretion stop using any Retained Employee at any time during the GOB Sale, subject to the conditions provided for herein. In the event that Agent desires to cease using any Retained Employee, Agent shall notify Merchant at least seven (7) days prior thereto in writing; provided, however, that, in the event that Agent determines to cease using an employee “for cause” (such as dishonesty, fraud or breach of employee duties), the seven (7) day notice period shall not apply; provided that Agent shall notify Merchant immediately after such discontinuance. Contemporaneous with providing such notice, Agent shall provide to Merchant all information and other materials in Agent’s knowledge, possession or control concerning supporting Agent’s determination to terminate any Retained Employee “for cause.” From and after the date of this Agreement and until the Sale Termination Date, Merchant shall not transfer or dismiss employees of the Stores or Distribution Centers except “for cause” without Agent’s prior consent, not to be unreasonably withheld. Notwithstanding the foregoing, Agent shall not have the right to terminate the actual employment of any employee, but rather may only cease using such employee in the GOB Sale and paying any Expenses with respect to such employee (and all decisions relating to the termination or non-termination of such employees shall at all times rest solely with Merchant). Notwithstanding any other provision hereof, Agent will indemnify and hold Merchant harmless from and against any and all costs or expenses incurred (including, without limitation, reasonable attorneys’ fees) in connection with any claims by Retained Employees arising from Agent’s conduct in connection with Retained Employees.

9.3            Payroll Matters. During the Sale Term, Merchant shall process the payroll for all Retained Employees and any former employees and temporary labor engaged for the GOB Sale. Each Wednesday of each week during which payroll is being paid by Merchant (or such other date as may be reasonably requested by Merchant to permit the funding of the payroll accounts before such payroll is due and payable) during the Sale Term, Agent shall transfer to Merchant’s payroll accounts an amount equal to the payroll for Retained Employees plus related payroll taxes, workers’ compensation and benefits for each such week, to the extent such amount constitutes Expenses hereunder.

9.4                    Employee Retention Bonuses. Subject to approval by the Bankruptcy Court, Agent may, in its sole discretion, pay, as an Expense, retention bonuses and/or severance pay (“Retention Bonuses”), which bonuses shall be inclusive of payroll taxes, but as to which no severance benefits shall be payable to such Retained Employees who do not voluntarily leave employment, are not otherwise entitled to receive severance pay, and are not terminated “for cause,” as Agent may determine in its reasonable and good faith discretion. Subject to approval by the Bankruptcy Court, the amount of such Retention Bonuses shall be in an amount to be determined by Agent, in its reasonable and good faith discretion, and shall be payable within thirty (30) days after the Sale Termination Date and shall be processed through Merchant’s payroll system.

#### **Section 10. Conditions Precedent and Subsequent.**

(a) Agent shall consummate the transactions contemplated under this Agreement (the “Closing”) by February 14, 2025 (the “Closing Date”) subject only to the satisfaction of the following conditions, unless specifically waived in writing by Agent in its reasonable discretion:

(i) The Petition Date shall have occurred no later than January 15, 2025;

(ii) On the Petition Date, Merchant shall have filed a motion and proposed form of Bid Procedures Order;

(iii) The Bankruptcy Court shall have entered an order approving the use of cash collateral (the “Cash Collateral Order”) on a final basis no later than February 10, 2025;

(iv) The Bankruptcy Court shall have entered the Bid Procedures Order on a final basis no later than February 10, 2025;

(v) The bid deadline under the Bid Procedures Order shall be no later than February 12, 2025;

(vi) The Auction, if any, under the Bid Procedures Order shall be no later than February 14, 2025;

(vii) The Bankruptcy Court shall have entered the Approval Order no later than February 14, 2025, provided, however, that no Auction has occurred;

(viii) The Bankruptcy Court shall have entered an order, pursuant to Section 365(d)(4) of the Bankruptcy Code, extending the Merchant’s time to assume or reject the leases for the Stores to the date that is 210 days after the Petition Date;

(ix) The Termination Declaration Date, as defined in the Cash Collateral Order, shall not have occurred;

(x) (A) All representations and warranties of Merchant in Section 11.1 (other than the representations and warranties set forth in Sections 11.1(a), (b), and (c)) shall be

true and correct, except where the failure to be true and correct has not had and would not reasonably be expected to have a material adverse effect on the Assets taken as a whole, (B) all representations and warranties of Merchant in Sections 11.1(a), (b), and (c) shall be true and correct in all material respects as of the Closing, and (C) Merchant shall have in all material respects performed the obligations and complied with the covenants required by this Agreement to be performed or complied with by it prior to the Closing;

(xi) No chapter 11 trustee has been appointed and the Merchant's bankruptcy cases have not been converted to cases under Chapter 7 of the Bankruptcy Code;

(xii) There shall not have been a variance greater than five percent (5%) of the expenses set forth in "Total Expenses/Wind Down Costs" line item of the cash collateral budget without the written consent of Agent; and

(xiii) All of the Parties shall have executed this Agreement.

(b) The willingness of Merchant to enter into the transactions contemplated under this Agreement, and the occurrence of the Closing, are directly conditioned upon the satisfaction of the following conditions at the time or during the time periods indicated, unless specifically waived in writing by Merchant, with the prior written consent of the Prepetition ABL Agent and the Prepetition FILO Agent to the extent such waiver would materially affect their interests:

(i) No judgment enacted, promulgated, issued, entered, amended or enforced by any governmental authority or any applicable law shall be in effect enjoining or otherwise prohibiting consummation of the transactions contemplated hereby;

(ii) All representations and warranties of Agent hereunder shall be true and correct in all material respects as of the Closing, and Agent shall have in all material respects performed the obligations and complied with the covenants required by this Agreement to be performed or complied with by it prior to the Closing;

(iii) The ABL Agent, the FILO Agent and any other persons designated by them have received full and indefeasible payment in cash (or other consideration as applicable) of all Debt Payoff specified in the Payoff Letters on the Closing Date; and

(iv) All of the Parties shall have executed this Agreement.

## **Section 11. Representations, Warranties and Covenants.**

11.1 Merchant's Representations and Warranties. Merchant hereby represents and warrants in favor of Agent as follows:

(a) As of the date of this Agreement and at the Closing, Merchant (i) is duly organized, validly existing and in good standing under the laws of the State of its organization; (ii) has all requisite corporate power and authority to own, lease and operate the Assets and to carry on its business as presently conducted; (iii) is duly authorized and qualified to do business and in good standing in each jurisdiction where the nature of its business or properties requires

such qualification, including all jurisdictions in which the Stores are located, except, in each case, to the extent that the failure to be in good standing or so qualified would not reasonably be expected to have a material adverse effect on the ability of Merchant to execute and deliver this Agreement and perform fully its obligations hereunder; and (iv) has paid when due all United States Trustee fees.

(b) Subject only to entry of the Approval Order, Merchant, as of the date of this Agreement and at the Closing, has the right, power and authority to execute and deliver this Agreement and each other document and agreement contemplated hereby (collectively, together with this Agreement, the "Agency Documents") and to perform fully its obligations thereunder. Subject only to entry of the Approval Order, Merchant has taken all necessary actions required to authorize the execution, delivery and performance of the Agency Documents, and no further consent or approval is required for Merchant to enter into and deliver the Agency Documents, to perform its obligations thereunder and to consummate the Sale, except for any such consent the failure of which to be obtained would not reasonably be expected to prevent or materially delay or impair the ability of Merchant to execute and deliver this Agreement and perform fully its obligations hereunder. Subject only to entry of the Approval Order, each of the Agency Documents has been duly executed and delivered by Merchant and, upon the due authorization, counter-execution, and delivery of this Agreement by Agent, constitutes the legal, valid and binding obligation of Merchant enforceable in accordance with its terms.

(c) Merchant, as of the date of this Agreement and at the Closing, owns good and valid title to all of the Assets, free and clear of all security interests, liens, claims and encumbrances of any nature other than the security interests securing the Prepetition Secured Obligations (as defined in the Cash Collateral Order) and Permitted Encumbrances.

(d) Since January 1, 2024, Merchant has maintained its pricing files, including but not limited to the Merchandise File, in the ordinary course of business, and prices charged to the public for goods are the same in all material respects as set forth in such pricing files, including but not limited to the Merchandise File, for the periods indicated therein, all pricing files, including but not limited to the Merchandise File, and records are true and accurate in all material respects as to the actual cost to Merchant for purchasing the goods referred to therein and as to the selling price to the public for such goods without consideration of any point of sale discounts, as of the dates and for the periods indicated therein. Merchant represents that (i) the ticketed prices of all items of Merchandise do not and shall not include any Sales Taxes and (ii) all registers located at the Stores are programmed to correctly compute all Sales Taxes required to be paid by the customer under applicable law, as such calculations have been identified to Merchant by its retained service provider.

(e) Merchant has ticketed or marked all goods and items of inventory received and currently located at the Stores or Distribution Centers in a manner consistent with similar Merchandise located at the Stores or Distribution Centers, and in accordance with Merchant's ordinary course past practices and policies relative to pricing and marking goods and inventory.

(f) Since January 1, 2025, Merchant has not purchased for or transferred to or from the Stores or Distribution Centers any inventory or goods outside the ordinary course.

(g) To Merchant's knowledge after reasonable inquiry, all Merchandise is in compliance in all material respects with all applicable federal, state and local product safety laws, rules and standards.

(h) Since January 1, 2024, Merchant has paid all self-insured or Merchant-funded employee benefit programs for Store employees, including health and medical benefits and insurance and all proper claims made or to be made in accordance with such programs.

(i) Since January 1, 2025, Merchant has not taken any actions with the intent of increasing the Expenses of the Sale as compared to ordinary course operations prior to the Sale Commencement Date, including without limitation increasing salaries or other amounts payable to employees; except to the extent an employee was due an annual raise in the ordinary course.

(j) Other than filing the Bankruptcy Case, no action, arbitration, suit, notice, or legal, administrative or other proceeding before any court or governmental body is pending, by or against Merchant, or has been settled or resolved, or to Merchant's knowledge, is threatened against or affects Merchant, relative to Merchant's business or properties, or which questions the validity of this Agreement, in any case, that would reasonably be expected to adversely affect the conduct of the Sale.

(k) As of the Petition Date, the aggregate Cost Value of the Merchandise included in the Sale is estimated to be not less than \$538,300,000.

#### 11.2 Merchant's Covenants.

(a) Merchant, during the Sale Term, (i) will continue to be duly authorized and qualified to do business and in good standing in each jurisdiction where the nature of its business or properties requires such qualification, including all jurisdictions in which the Stores are located, except, in each case, to the extent that the failure to be in good standing or so qualified would not reasonably be expected to have a material adverse effect on the ability of Merchant to execute and deliver this Agreement and perform fully its obligations hereunder; and (ii) will continue to pay when due all United States Trustee fees.

(b) Merchant shall not create, incur, assume or suffer to exist any security interest, lien or other charge or encumbrance (other than Permitted Encumbrances) upon or with respect to any of the Assets. From and after the Closing, subject to the Central Services Budget and Agent's satisfaction of its payment obligations under this Agreement, Merchant shall use commercially reasonable efforts to perform such tasks and services as are reasonably necessary, in the ordinary course to maintain and preserve the Assets in saleable condition and to maintain good and valid title to all of the Assets at all times until all Assets have been sold or otherwise disposed of, and such other tasks and services as Agent may otherwise reasonably request in connection with the GOB Sales, including but not limited to paying all ad valorem taxes and utilities when due, performing all routine maintenance in the ordinary course, and renewing all necessary licenses and registrations.

(c) Through the Sale Commencement Date, Merchant shall continue to ticket or mark all goods and items of inventory received at the Stores or Distribution Centers in a manner consistent with similar Merchandise located at the Stores or Distribution Centers, and in

accordance with Merchant's ordinary course past practices and policies relative to pricing and marking goods and inventory.

(d) Through the Sale Commencement Date Merchant shall transfer inventory or goods to or from Distribution Centers in the ordinary course and shall not deviate from that schedule.

(e) Through the Sale Commencement Date Merchant shall not, purchase for or transfer to or from the Stores or Distribution Centers any inventory or goods outside the ordinary course.

(f) Merchant shall provide Agent with reasonable access to and/or copies of its historic policies and practices, if any, regarding product recalls, as Agent may reasonably request prior to the Sale Commencement Date.

(g) Subject to the Agent satisfying its payment obligations under this Agreement, Merchant shall, throughout the Sale Term, maintain in good working order, condition, and repair all cash registers, heating systems, air conditioning systems, elevators, escalators and all other mechanical devices necessary for the conduct of the GOB Sale at the Stores in the ordinary course. Except as otherwise restricted by the Bankruptcy Code upon filing of the Bankruptcy Case, and absent a bona fide dispute, throughout the Sale Term, Merchant shall remain current on all expenses and payables necessary or appropriate for the conduct of the GOB Sale.

(h) Subject to payment of Expenses and other obligations under this Agreement by Agent, and approval by the Bankruptcy Court, Merchant will continue to pay all self-insured or Merchant-funded employee benefit programs for Store employees, including health and medical benefits and insurance and all proper claims made or to be made in accordance with such programs.

(i) Payment of Expenses and other obligations under this Agreement by Agent, and approval by the Bankruptcy Court, Merchant will continue to pay throughout the Sale Term all self-insured or Merchant-funded employee benefit programs for Store employees, including health and medical benefits and insurance and all proper claims made or to be made in accordance with such programs.

(j) Merchant shall not throughout the Sale Term take any actions with the intent of increasing the Expenses of the Sale as compared to ordinary course operations prior to the Sale Commencement Date, including without limitation increasing salaries or other amounts payable to employees; except to the extent an employee was due an annual raise in the ordinary course.

(k) Prior to the execution of this Agreement, Merchant has provided Agent reasonable access to all pricing and cost files, including but not limited to the Merchandise File, and data files, inter-Stores transfer logs, markdown schedules, invoices, style runs and all other documents relative to the price, mix and quantities of inventory located at the Stores and the Distribution Centers or on order or in transit.

(l) Merchant hereby acknowledges that, as of and after the date of this Agreement, Agent intends to begin to make arrangements for the purchase of Additional Agent Merchandise from Agent's suppliers of goods as well as Merchant's existing suppliers of goods.

To assist Agent in that regard, from and after the date of this Agreement, Merchant shall use Merchant's best efforts to assist and cause Merchant's employees to assist Agent with Agent's efforts to negotiate orders with Merchant's suppliers for goods that Agent is interested in purchasing as Additional Agent Merchandise and to assist Agent with creating SKUs in and otherwise updating Merchant's systems for and in connection with all such Additional Agent Merchandise.

(m) Merchant (i) shall not, prior to or after the Sale Commencement Date, offer any promotions or discounts at the Stores, through the e-commerce sites, social media sites, any other retail location, or any other promotional or retail sales channel owned or controlled directly by Merchant, except as detailed on Exhibit 11.2(m) (the "Promotional Calendar") and (ii) shall make commercially reasonable efforts to notify third party websites or social media sites of such restrictions.

(n) Merchant shall discontinue its current return program and shall stop the sale of gift cards as of the execution date of this Agreement.

11.3 Agent's Representations, Warranties and Covenants. Agent hereby represents, warrants and covenants in favor of Merchant as follows:

(a) Agent: (i) is duly and validly existing and in good standing under the laws of the State of its organization; (ii) has all requisite power and authority to carry on its business as presently conducted and to consummate the transactions contemplated hereby; (iii) is duly authorized and qualified to do business and in good standing in each jurisdiction where the nature of its business or properties requires such qualification, including, in the case of the entities comprising Agent, all jurisdictions in which the Stores are located, except, in each case, to the extent that the failure to be in good standing or so qualified would not reasonably be expected to have a material adverse effect on the ability of Agent to execute and deliver this Agreement and perform fully its obligations hereunder.

(b) Agent: (i) has the right, power and authority to execute and deliver each of the Agency Documents to which it is a party and to perform fully its obligations thereunder; (ii) has taken all necessary actions required to authorize the execution, delivery and performance of the Agency Documents, and no further consent or approval is required on the part of Agent for Agent to enter into and deliver the Agency Documents, to perform its obligations thereunder and to consummate the transactions contemplated thereby, and (iii) has duly executed and delivered each of the Agency Documents and, assuming the due authorization, execution, and delivery of this Agreement by Merchant, constitutes the legal, valid and binding obligation of Agent enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting the rights of creditors generally and by general principles of equity. No court order or decree of any federal, state or local governmental authority or regulatory body is in effect that would prevent or impair, or is required for, Agent's consummation of the transactions contemplated by this Agreement, and no consent of any third party which has not been obtained is required therefor, other than as provided herein. No contract or other agreement to which Agent is a party or by which Agent is otherwise bound will prevent or impair the consummation of the transactions contemplated by this Agreement.

(c) No action, arbitration, suit, notice or legal administrative or other proceeding before any court or governmental body has been instituted by or against Agent, or has been settled or resolved or, to Agent's knowledge, has been threatened against or affects Agent, which questions the validity of this Agreement or any action taken or to be taken by Agent in connection with this Agreement or which, if adversely determined, would have a material adverse effect upon Agent's ability to perform its obligations under this Agreement.

(d) The GOB Sale shall be conducted in compliance with all applicable state and local laws, rules and regulations and Merchant's leases and other agreements, except as otherwise provided for in this Agreement, the Sale Guidelines or the Approval Order.

(e) Absent prior consent by Merchant, Agent will not cause any non-emergency repairs or maintenance (emergency repairs are repairs necessary to preserve the security of a Store premise or to ensure customer safety) to be conducted at the Stores.

(f) Agent will have at the Closing and at any time payments are required to be made by Agent under this Agreement hereunder or under the other Agent documents sufficient funds available in cash to pay the Purchase Price and any Expenses and any other fees and expenses incurred by or otherwise required to be paid by Agent in connection with the transactions contemplated by this Agreement.

(g) Assuming (i) the satisfaction or waiver of the conditions set forth in Section 10, and (ii) the accuracy of the Express Representations (without regard to any knowledge or materiality qualifications contained therein), Agent and its subsidiaries will be Solvent. Agent is not entering into the transactions contemplated by this Agreement with the intent to hinder, delay or defraud either present or future creditors of Agent, Merchant or their respective subsidiaries. For purposes of this Agreement, "Solvent," when used with respect to any Person, means that such Person (i) will not be insolvent as defined in Section 101 of the Bankruptcy Code, (ii) has property with fair value greater than the total amount of their debts and liabilities, contingent, subordinated or otherwise (it being understood that the amount of contingent liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, can reasonably be expected to become an actual or matured liability), (iii) has assets with present fair salable value not less than the amount that will be required to pay their liability on their debts as they become absolute and matured, (iv) will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as they become absolute and matured, and (v) are not engaged in business or a transaction, and are not about to engage in business or a transaction, for which they have unreasonably small capital.

(h) As of the date of this Agreement, there are no contracts, undertakings, commitments, agreements or obligations, whether written or oral, between Agent, on the one hand, and any member of the management of Merchant or its respective board of directors (or applicable governing body of any Affiliate of any Person within Merchant), any holder of equity or debt securities of Merchant, or any lender or creditor of Merchant or any Affiliate of Merchant, on the other hand, (a) relating in any way to the Assets or the transactions contemplated by this Agreement, or (b) that would be reasonably likely to prevent, restrict, impede or affect adversely the ability of Merchant or any of its Affiliates to entertain, negotiate or participate in any such transactions.

(i) Except for the representations and warranties expressly contained in Section 11.1 (as qualified by the Schedules and in accordance with the express terms and conditions (including limitations and exclusions) of this Agreement) (the “Express Representations”) (it being understood that Agent and its affiliates and representatives have relied only on such Express Representations), Agent acknowledges and agrees, on its own behalf and on behalf of its affiliates and representatives, that neither Merchant, any of its Affiliates, nor any other Person on behalf of Merchant or any of its Affiliates makes, and neither Agent nor any of its affiliates and representatives has relied on, is relying on, or will rely on the accuracy or completeness of any express or implied representation or warranty with respect to Merchant, the any of the Assets, or any businesses or liabilities of Merchant or its Affiliates, or with respect to any information, statements, disclosures, documents, projections, forecasts or other material of any nature made available or provided by any Person, including in any “dataroom” or elsewhere to Agent or any of its affiliates or representatives on behalf of Merchant or any of its Affiliates or representatives. Without limiting the foregoing, neither Merchant, any of its affiliates nor or any of its or their representatives nor any other Person will have or be subject to any Liability whatsoever to Agent, or any other Person, resulting from the distribution to Agent or any of its Affiliates or representatives, or Agent’s or any of its Affiliates’ or Representatives’ use of or reliance on, any such information, including in any dataroom or otherwise in expectation of the transactions or any discussions with respect to any of the foregoing information or otherwise.

(j) Agent acknowledges and agrees, on its own behalf and on behalf of its affiliates and representatives, that it will not assert, institute, or maintain, and will cause each of its affiliates and representatives not to assert, institute or maintain, any Action that makes any claim contrary to the agreements and covenants set forth in Section 11.3(f).

## **Section 12. Efforts**

12.1 Subject to the terms and conditions of this Agreement, each of the Agent and Merchant shall cooperate with each other and use (and shall cause its affiliates to use) its reasonable best efforts (unless, with respect to any action, another standard of performance is expressly provided for herein) to promptly (i) take, or cause to be taken, all actions, and do, or cause to be done, and assist and cooperate with each other in doing, all things necessary, proper or advisable to cause the conditions to Closing to be satisfied as promptly as reasonably practicable and to consummate and make effective, in the most expeditious manner reasonably practicable, the Transactions, including preparing and filing promptly and fully all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents, (ii) obtain all approvals, consents, registrations, waivers, permits, authorizations, orders and other confirmations from any governmental authority or third party necessary, proper or advisable to consummate the transactions contemplated hereby, (iii) execute and deliver any additional instruments necessary to consummate the transactions contemplated hereby and (iv) defend or contest in good faith any action brought by a third party that could otherwise prevent or impede, interfere with, hinder or delay in any material respect the consummation of the transactions contemplated hereby.

### **Section 13. Insurance.**

#### **13.1 Merchant's Liability Insurance.**

Until the Designation Rights Termination Date or as otherwise earlier directed by Agent or set forth in this Agreement, Merchant shall continue to maintain, subject to the satisfaction by Agent of its payment obligations under this Agreement, in such amounts as it currently has in effect, all of its liability insurance policies, including but not limited to commercial general liability, products liability, comprehensive public liability, auto liability and umbrella liability insurance, covering injuries to persons and property in, or in connection with, the Assets and/or Merchant's operation of its business and the Stores and Distribution Centers; and Merchant shall make commercially reasonable efforts to cause Agent to be named as an additional named insured (as its interest may appear) with respect to all such policies. Merchant shall make commercially reasonable efforts to deliver to Agent certificates evidencing such insurance setting forth the duration thereof and naming Agent as an additional named insured. All such policies shall require at least thirty (30) days' prior notice to Agent of cancellation, non-renewal or material change. In the event of a claim under any such policies, Merchant shall be responsible for the payment of all deductibles, retentions or self-insured amounts thereunder (which shall be reimbursed as an Expense), unless it is determined that liability arose by reason of the willful misconduct or grossly negligent acts or omissions of Agent, or Agent's employees, independent contractors or agents, in which case Agent shall be solely responsible for any such deductibles, retentions or self-insured amounts. Merchant shall not make any change in the amount of any deductibles or self-insurance amounts on or after the date of this Agreement without Agent's prior written consent or unless such a change is required by the relevant insurer(s) in connection with a renewal or extension of the policy.

#### **13.2 Merchant's Casualty Insurance.**

Until the Designation Rights Termination Date, as otherwise earlier directed by Agent, or, if earlier, until the sale or other disposition of all Assets covered by such policies, Merchant shall continue to maintain, subject to the satisfaction by Agent of its payment obligations under this Agreement, all of its presently existing property casualty coverage related to the Assets (including but not limited to fire, flood, wind, hail, natural disaster, theft, and extended coverage casualty insurance). From and after the Closing, Merchant will make commercially reasonable efforts to cause all such policies to also name Agent as an additional named insured or loss payee, as applicable (as its interest may appear). In the event of a loss to the Assets on or after the Closing, all proceeds of such insurance shall constitute Proceeds hereunder after subtraction of any expenses reasonably incurred securing such proceeds. Merchant shall make commercially reasonable efforts to deliver to Agent certificates evidencing such insurance, setting forth the duration thereof and naming Agent as an additional insured or loss payee, as applicable. Merchant will make commercially reasonable efforts to provide thirty (30) days' prior notice to Agent of cancellation, non-renewal or material change. Merchant shall not make any change in the amount of any deductibles or self-insurance amounts on or after the date of this Agreement without Agent's prior written consent or unless such a change is required by the relevant insurer(s) in connection with a renewal or extension of the policy. Upon the sale, conveyance, or other disposition of any Asset specifically identified in any of Merchant's casualty insurance policies, Merchant may, with the Agent's prior consent (such consent not to be unreasonably withheld or delayed), cancel the casualty coverage specifically applicable to such Asset.

13.3                    Agent's Insurance. Agent shall maintain, at Agent's cost (as an Expense) and in such amounts as Agent currently has in effect, commercial general liability policies covering injuries to persons and property in or in connection with Agent's agency at the Stores and shall cause Merchant to be named as an additional insured with respect to such policies. Agent shall deliver to Merchant certificates evidencing such insurance policies setting forth the duration thereof and naming Merchant as an additional insured, in form and substance reasonably satisfactory to Merchant. In the event of a claim under any such policies, Agent shall be responsible for the payment of all deductibles, retentions or self-insured amounts thereunder, unless it is determined that liability arose by reason of the willful misconduct or grossly negligent acts or omissions of Merchant or Merchant's employees, independent contractors or agents (other than Agent or Agent's employees, agents or independent contractors). Agent shall not make any change in the amount of any deductibles or self-insurance amounts prior to the Sale Termination Date without Merchant's prior written consent.

13.4                    Worker's Compensation Insurance. Merchant shall, at all times while any employees are in its employ, maintain in full force and effect workers' compensation insurance (including employer liability insurance) in compliance with all statutory requirements.

13.5                    Risk of Loss. Without limiting any other provision of this Agreement, Merchant acknowledges that Agent is conducting the GOB Sale on behalf of Merchant solely in the capacity of an agent, and that in such capacity (a) except for any Additional Agent Merchandise, Agent shall not be deemed to be in possession or control of the Stores, Distribution Centers, or the assets located therein or associated therewith, or of Merchant's employees located at the Stores or Distribution Centers, and (b) except as expressly provided in this Agreement, Agent does not assume any of Merchant's obligations or liabilities with respect to any of the foregoing. Agent shall not be deemed to be a successor employer. Merchant and Agent agree that, subject to the terms of this Agreement, Merchant shall bear all responsibility for liability claims of customers, employees, and other persons arising from events occurring at the Stores during and after the Sale Term, except to the extent any such claim arises from the acts or omissions of Agent, or its supervisors, agents, independent contractors, or employees located at the Stores (an "Agent Claim"). In the event of any liability claim that Merchant and Agent agree is not an Agent Claim, Merchant shall administer such claim and shall present such claim to Merchant's liability insurance carrier in accordance with Merchant's policies and procedures existing immediately prior to the Sale Commencement Date, and shall provide a copy of the initial documentation relating to such claim to Agent at the address listed in this Agreement. To the extent that Merchant and Agent agree that a claim constitutes an Agent Claim, Agent shall administer such claim and shall present such claim to its liability insurance carrier, and shall provide copies of the initial documentation relating to such claim to Merchant. In the event that Merchant and Agent cannot agree whether a claim constitutes an Agent Claim, each party shall present the claim to its own liability insurance carrier, and a copy of the initial claim documentation shall be delivered to the other party to the address designated for delivery of notices hereunder.

13.6                    Merchant Indemnification. From and after the Closing, Merchant shall indemnify and hold Agent, and its officers, directors, employees, agents, representatives, and independent contractors (collectively, "Agent Indemnified Parties") harmless from and against all claims, causes of action, demands, penalties, losses, liability, damage, or other obligations,

including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly asserted against, resulting from or related to: (a) Merchant's material breach of or failure to comply with any of its agreements or covenants contained in this Agreement, in each case, solely to the extent such covenant or agreement requires performance after the Closing; (b) any consumer warranty or products liability claims relating to Merchandise; (c) any harassment or any other unlawful, tortious, or otherwise legally actionable treatment of any customers, employees or agents of Agent by Merchant or any of their respective representatives (other than Agent); and (d) the willful misconduct of Merchant or its respective officers, directors, employees, agents (other than Agent) or representatives.

13.7

#### Agent Indemnification.

(a) From and after the Closing, Agent shall indemnify and hold Merchant and its respective officers, directors, employees, agents and representatives harmless from and against all claims, causes of action, demands, penalties, losses, liability, damage, or other obligations, including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly asserted against, resulting from, or related to: (a) Agent's material breach of or failure to comply with any of its agreements, or covenants, contained in this Agreement, in each case, solely to the extent such covenant or agreement requires performance after the Closing; (b) any claims by any party engaged by Agent as an employee or independent contractor arising out of such employment; (c) any harassment or any other unlawful, tortious or otherwise legally actionable treatment of any customers, employees or agents of Merchant by Agent or any of its representatives; (d) any consumer warranty or products liability claims relating to Additional Agent Merchandise; (e) as set forth in Section 8.3 above; (f) the willful misconduct of Agent, its officers, directors, employees, agents or representatives.

(b) Agent shall indemnify Merchant (and their respective estates) for up to \$10,000,000.00 on account of any Administrative Expense Claim or Priority Tax Claim attributable to the tax consequences associated with the elimination or cancellation of, transfer of, or withdrawal from the Key Man Insurance Policy Program provided for under certain Pre-1986 Corporate Owned Life Insurance policies issued in 1984 and 1985 by Provident Life and Accident Insurance Company (the "Key Man Insurance Policies" and any associated tax liability, the "Key Man Insurance Tax Liability") upon the tax becoming payable to the relevant taxing authority. Merchant shall use best efforts to, and reasonably cooperate with, Agent and its professionals in efforts to, mitigate and/or offset the amount of any Key Man Insurance Tax Liability, including by evaluating the availability of any tax attributes that could reduce or eliminate the Key Man Insurance Tax Liability, considering the appropriate classification of any Key Man Insurance Tax Liability, considering structuring alternatives to monetize the Key Man Insurance Policies or otherwise preventing any Key Man Insurance Tax Liability from arising. For the avoidance of doubt, Agent shall be entitled to the net proceeds (if any), after payment of any associated tax liability, of the Key Man Insurance Policies, including if such proceeds become due and payable prior to the Merchant's withdrawal.

#### **Section 14. Agent's Security Interest.**

(a) Upon the occurrence of the Closing and satisfaction of the Debt Payoff, Agent is hereby granted first priority, senior security interests in and liens upon all Assets, all

Proceeds, and any proceeds thereof, which security interests and liens shall be deemed by the Approval Order to be automatically perfected. The Approval Order shall grant Agent relief from the automatic stay, and nothing in the Approval Order shall inhibit Agent's ability, to take any action Agent deems appropriate to perfect such security interests and liens. From and after the Closing, the Merchant shall not grant any other party any security interests in or liens upon the Assets, Proceeds, or proceeds thereof. Any security interests in or liens upon the Assets prior to the Closing and satisfaction of the Debt Payoff shall attach to the Purchase Price as of the Closing.

(b) Upon the occurrence of the Closing and until all Assets have been sold or otherwise disposed of, Agent shall have a superpriority administrative expense claim against Merchant, which is senior to all other administrative expenses (including any other superpriority –administrative expense claims) to the extent of any amounts owing from Merchant to Agent in connection with this Agreement, including as a result of any breach of this Agreement.

## **Section 15. Designation Rights.**

### **15.1 Lease/Contract Designation Rights.**

(a) Upon the occurrence of the Closing and until the earlier to occur of (i) the end of the Lease/Contract Designation Rights Period applicable to a particular Lease or Contract and (ii) May 31, 2025 (as may be amended by written agreement of the Parties, the "Designation Rights Termination Date"), Agent shall have the exclusive right to designate the purchasers, assignees, sublessees, or other transferees of Merchant's right, title, and interest in and to any or all of the Leases and Contracts (the "Lease/Contract Designation Rights") upon the terms and conditions agreed upon between Agent and such designee.

(b) Merchant shall cooperate reasonably with Agent to arrange for the sale, sublease, assignment, and other transfer, as applicable, of the Leases and Contracts, with such sale and assignment to be on such terms as Agent deems acceptable in its sole and absolute discretion. Without limiting the generality of the foregoing, Merchant agrees (1) to provide Agent with all due diligence materials and information as Agent shall reasonably request in connection with its efforts to market and attempt to sell or otherwise dispose of the Leases and Contracts (including complete copies thereof and any abstracts prepared with respect thereto, and all communications with the counterparties thereunder, all property surveys, all environmental reports and tax and utility records), with Agent to bear all reasonable third party out-of-pocket costs and expenses relating thereto, in all cases to the extent reasonably available to Merchant, and (2) to cooperate with Agent, its agents, and any potential purchasers assignees, sublessees, or other transferees of any of the Leases and/or Contracts.

(c) Solely to the extent requested by Agent, Merchant shall exercise renewal and/or extension options under the Leases and Contracts.

(d) At any time prior to the end of the Lease/Contract Designation Rights Period applicable to a particular Lease or Contract, Agent shall have the right, which right may be exercised at any time and from time to time, to file a Lease/Contract Assumption Notice in the Bankruptcy Cases designating the purchasers, assignees, sublessees, or other transferees (which may in certain circumstances be Agent, any of the entities comprising Agent, any of their

respective affiliates, and/or a new entity created by any of the foregoing) of one or more Leases and/or Contracts (which may occur without further order of the Bankruptcy Court pursuant to the Approval Order) and setting forth the proposed cure amount due pursuant to section 365 of the Bankruptcy Code. The Approval Order shall provide that (a) the counterparties to the Leases or Contracts identified in any Lease/Contract Assumption Notice shall have ten (10) days to object to the proposed assumption and assignment, (b) if no objection to the proposed assumption and assignment of a Lease or Contract is timely received, such Lease or Contract shall, upon payment of the applicable cure payment, if any, to the applicable counterparty, automatically be deemed assumed by Merchant and sold, assigned, or otherwise transferred to the purchasers, assignees, or other transferees identified in the Lease/Contract Assumption Notice pursuant to sections 363 and 365 of the Bankruptcy Code, without further order of the Bankruptcy Court or further action by any person or entity, and (c) if an objection to the proposed assumption and assignment of a Lease or Contract is timely received, such Lease or Contract shall not be assumed or assigned until such objection is resolved by agreement of the applicable counterparty or order of the Bankruptcy Court.

(e) The designee under any Lease/Contract Assumption Notice shall be required, if requested by the applicable counterparty, to provide adequate assurance of future performance with respect to such Lease or Contract if the applicable counterparty so requests. Merchant shall have no responsibility for any cure amounts with respect to any Lease or Contract assumption and assignment.

## 15.2 Asset Designation Rights

(a) Upon the occurrence of the Closing, Agent shall have the exclusive right to market and sell, and/or otherwise designate the purchasers, transferees, and/or assignees of (which may in certain circumstances be Agent, any of the entities comprising Agent, any of their respective affiliates, and/or a new entity created by any of the foregoing), any or all of the Assets free and clear of all liens, claims, and encumbrances thereon (other than Permitted Encumbrances), without further order of the Bankruptcy Court (the "Asset Designation Rights"). Agent is authorized to execute, in the name of and as agent for Merchant, any and all deeds, bills of sale, and other instruments or documents necessary to effectuate the sale, transfer, or other conveyance of any of the Assets, none of which instruments or documents shall require Merchant to incur any obligations or other liabilities beyond the terms of this Agreement.

(b) Pursuant to the Approval Order, the sale or other conveyance of any Assets reflected in Asset Designation Notices filed in the Bankruptcy Cases from time to time by Agent shall be automatically effective on the date reflected in the applicable Asset Designation Notice and subject to the satisfaction of any closing conditions reflected therein, and the sale, transfer, or other conveyance of such Assets shall be free and clear of all liens, claims, and encumbrances (other than Permitted Encumbrances) without further order of the Bankruptcy Court; provided, however, that nothing in the Approval Order shall inhibit the ability of Agent to seek other or further orders of the Court in connection with the sale or other disposition of any Assets.

(c) The costs of maintaining the Assets available for marketing and sale shall constitute Expenses. All costs of effectuating assumption and assignment shall be deemed an Expense hereunder.

**15.3 Agent Dropout Rights.** At any time prior to the expiration of the Lease/Contract Designation Rights Period or the Designation Rights Termination Date (as applicable), Agent shall have the right, upon five (5) days' written notice (the "Dropout Notice Period"), which right may be exercised at any time and from time to time in Agent's sole and absolute discretion, to provide notice to Merchant (each such notice, a "Dropout Notice") of Agent's election to discontinue its efforts to market and attempt to sell, assign, transfer, license, designate the acquirer or purchaser, or otherwise dispose of any Asset (each, a "Dropout Asset" and, collectively, the "Dropout Assets"). Upon the effective date of any Dropout Notice, (i) Agent shall have no further obligation or liability with respect to the subject Dropout Asset, and (ii) Merchant shall thereafter be solely responsible for all such Dropout Asset(s) from and after the effective date of the Dropout Notice. Upon expiration of the Dropout Notice Period, all rights to the Dropout Assets shall revert to Merchant, and Merchant may dispose of such Dropout Asset in such manner as Merchant may elect, and one hundred percent (100%) of all proceeds realized upon a disposition of such Dropout Asset shall be the exclusive property of Merchant (and shall not constitute Proceeds). The delivery of a Dropout Notice shall not result in a reduction of the Purchase Price payable hereunder. Prior to the expiration of the Dropout Notice Period, the Agent, in its sole and absolute discretion, may withdraw any Dropout Notice upon written notice to Merchant. Effective upon the conclusion of the Designation Rights Termination Date, and without any further act by or on behalf of the Agent (such date, the "Deemed Drop Out Date"), Agent shall be deemed to have provided Merchant with a Dropout Notice (the "Deemed Drop Out Notice") for all remaining Assets (other than Assets that were subject to a prior Asset Designation Notice, which Deemed Drop Out Notice shall be deemed effective as of the Deemed Drop Out Date).

## **Section 16. Miscellaneous.**

**16.1 Non-Survival of Representations and Warranties and Certain Covenants; Certain Waivers.** Each of the representations and warranties and the covenants and agreements (to the extent such covenant or agreement contemplates or requires performance by such Party prior to the Closing) of the Parties set forth in this Agreement or in any other Agency Document, will terminate effective immediately as of the Closing such that no claim for breach of any such representation, warranty, covenant or agreement, detrimental reliance or other right or remedy (whether in contract, in tort or at law or in equity) may be brought with respect thereto after the Closing. Each covenant and agreement that explicitly contemplates performance after the Closing, will, in each case and to such extent, expressly survive the Closing in accordance with its terms, and if no term is specified, then for five years following the Closing, and nothing in this Section 16.1 will be deemed to limit any rights or remedies of any Person for breach of any such surviving covenant or agreement.

**16.2 Expenses.** Except with respect to the expense reimbursement provided for in Section 16.19 herein, whether or not the Closing takes place, except as otherwise provided herein, all fees, costs and expenses (including fees, costs and expenses of representatives) incurred in connection with the negotiation of this Agreement, the performance of this Agreement and the other Agent Documents and the consummation of the transactions contemplated by this Agreement will be paid by the Party incurring such fees, costs and expenses.

**16.3 Notices.** All notices and communications provided for pursuant to this Agreement shall be in writing and sent by electronic mail and will be deemed to have been given

(a) when personally delivered, (b) when transmitted by electronic mail (having obtained electronic delivery confirmation thereof), if delivered by 5:00 P.M. local time of the recipient on a business day and otherwise on the following business day, (c) the day following the day on which the same has been delivered prepaid to a reputable national overnight air courier service or (d) the third business day following the day on which the same is sent by certified or registered mail, postage prepaid, in each case, to the respective Party at the number, electronic mail address or street address, as applicable, set forth below, or at such other number, electronic mail address or street address as such Party may specify by written notice to the other Party:

**If to Merchant:**

JOANN Inc.  
5555 Darrow Rd.  
Hudson, Ohio 44236  
Attn: Ann Aber  
Email: ann.aber@joann.com

*With copies (which shall not constitute notice) to:*

Kirkland & Ellis LLP  
601 Lexington Avenue  
New York, New York 10022  
Attn: Joshua A. Sussberg, P.C. and Aparna Yenamandra, P.C.  
Email: [joshua.sussberg@kirkland.com](mailto:joshua.sussberg@kirkland.com); [aparna.yenamandra@kirkland.com](mailto:aparna.yenamandra@kirkland.com)

-and-

Kirkland & Ellis LLP  
333 West Wolf Point Plaza  
Chicago, Illinois 60654  
Attn: Anup Sathy, P.C; Jeffrey Michalik; and Lindsey Blumenthal  
Email: [anup.sathy@kirkland.com](mailto:anup.sathy@kirkland.com); [jeff.michalik@kirkland.com](mailto:jeff.michalik@kirkland.com); and  
[lindsey.blumenthal@kirkland.com](mailto:lindsey.blumenthal@kirkland.com)

**If to Agent:**

GORDON BROTHERS RETAIL PARTNERS, LLC  
101 Huntington Street, 11<sup>th</sup> Floor  
Boston, Massachusetts 02119  
Attn: Rick Edwards; Joseph Malfitano; and David Braun  
Email: [redwards@gordonbrothers.com](mailto:redwards@gordonbrothers.com); [jmalfitano@gordonbrothers.com](mailto:jmalfitano@gordonbrothers.com);  
and [dbraun@gordonbrothers.com](mailto:dbraun@gordonbrothers.com)

*With copies (which shall not constitute notice) to:*

Katten Muchin Rosenman LLP

50 Rockefeller Plaza  
New York, New York 10020  
Attn: Steven J. Reisman and Cindi M. Giglio  
Email: [sreisman@katten.com](mailto:sreisman@katten.com); [cgiglio@katten.com](mailto:cgiglio@katten.com)

16.4 Governing Law/Exclusive Jurisdiction.

(a) Jurisdiction and Exclusive Venue. Each of the Parties irrevocably agrees that any Action of any kind whatsoever, including a counterclaim, cross-claim, or defense, regardless of the legal theory under which any liability or obligation may be sought to be imposed, whether sounding in contract or in tort or under statute, or whether at law or in equity, or otherwise under any legal or equitable theory, that may be based upon, arising out of, or related to this Agreement or the negotiation, execution, or performance of this Agreement or the Transactions and any questions concerning the construction, interpretation, validity and enforceability of this Agreement (each, an “Agreement Dispute”) brought by any other Party or its successors or assigns will be brought and determined only in (a) the Bankruptcy Court and any federal court to which an appeal from the Bankruptcy Court may be validly taken or (b) if the Bankruptcy Court is unwilling or unable to hear such Action, in the Court of Chancery of the State of Delaware (or if such court lacks jurisdiction, any other state or federal court sitting in the State of Delaware) (the “Chosen Courts”), and each of the Parties hereby irrevocably submits to the exclusive jurisdiction of the Chosen Courts for itself and with respect to its property, generally and unconditionally, with regard to any Agreement Dispute. Each of the Parties agrees not to commence any Agreement Dispute except in the Chosen Courts, other than Actions in any court of competent jurisdiction to enforce any Order, decree or award rendered by any Chosen Courts, and no Party will file a motion to dismiss any Agreement Dispute filed in a Chosen Court on any jurisdictional or venue-related grounds, including the doctrine of forum non conveniens. The Parties irrevocably agree that venue would be proper in any of the Chosen Court, and hereby irrevocably waive any objection that any such court is an improper or inconvenient forum for the resolution of any Agreement Dispute. Each of the Parties further irrevocably and unconditionally consents to service of process in the manner provided for notices in Section 10.3. Nothing in this Agreement will affect the right of any Party to serve process in any other manner permitted by Law.

(b) Governing Law; Waiver of Jury Trial. Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Agreement and any Agreement Dispute will be governed by and construed in accordance with the internal Laws of the State of Delaware applicable to agreements executed and performed entirely within such State without regards to conflicts of law principles of the State of Delaware or any other jurisdiction that would cause the Laws of any jurisdiction other than the State of Delaware to apply.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY AGREEMENT DISPUTE IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND THEREFORE HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY AGREEMENT DISPUTE. EACH OF THE PARTIES AGREES AND CONSENTS THAT ANY SUCH AGREEMENT DISPUTE WILL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF

THE PARTIES TO THE IRREVOCABLE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. EACH PARTY (I) CERTIFIES THAT NO ADVISOR OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY AGREEMENT DISPUTE, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 16.4(c).

16.5            Amendments. This Agreement may not be modified except in a written instrument executed by all of the Parties.

16.6            No Waiver. No consent or waiver by any Party, express or implied, to or of any breach or default by the other in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Party of the same or any other obligation of such Party. Failure on the part of any Party to complain of any act or failure to act by the other Party or to declare the other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder.

16.7            Currency. All reference to dollars in this Agreement and all schedules, exhibits, and ancillary documents related to this Agreement shall refer to U.S. dollars.

16.8            Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon Agent and, subject to entry and the terms of the Approval Order, Merchant and their respective successors and assigns, including, but not limited to, any chapter 11 or chapter 7 trustee; provided, however, that this Agreement may not be assigned by any of the Parties without the prior written consent of the other.

16.9            Third Party Beneficiaries. Except as otherwise expressly provided herein, nothing expressed or referred to in this Agreement will be construed to give any Person other than (i) for purposes of Section 16.10, the Non-Recourse Persons, and (ii) the Parties hereto and such permitted assigns, any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement.

16.10          Non-Recourse. This Agreement may only be enforced against, and any Action based upon, arising out of or related to this Agreement may only be brought against, the Persons that are expressly named as parties to this Agreement. Except to the extent named as a party to this Agreement, and then only to the extent of the specific obligations of such parties set forth in this Agreement, no past, present or future shareholder, member, partner, manager, director, officer, employee, Affiliate, agent or advisor of any Party (each, a "Non-Recourse Person") will have any liability (whether in contract, tort, equity or otherwise) for any of the representations, warranties, covenants, agreements or other obligations or liabilities of any of the parties to this Agreement or for any Agreement Dispute and (ii) in no event shall any Party have any shared or vicarious liability, or otherwise be the subject of legal or equitable claims, for the actions or omissions (including through equitable claims (such as unjust enrichment) not requiring proof of wrongdoing committed by the subject of such claims) of any other Person, and

each of such Persons are intended third party beneficiaries of this Section 16.10 and shall be entitled to enforce this Section 16.10 as if a party directly hereto.

16.11         Construction. The language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction will be applied against any Person. The headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and will in no way restrict or otherwise modify any of the terms or provisions hereof.

16.12         No Right of Set-Off. Agent, on its own behalf and on behalf itself and its Affiliates and representatives and its and their respective successors and permitted assigns, hereby waives any rights of set-off, netting, offset, recoupment or similar rights that any of them has or may have with respect to the payment of the Debt Payoff or Wind-Down Payments or any other payments to be made by Agent pursuant to this Agreement or any other document or instrument delivered by Agent in connection herewith.

16.13         Fiduciary Obligations. Nothing in this Agreement, or any document related to the Transactions, will require Merchant or any of its Affiliates or any of their respective managers, officers or members, in each case, in their capacity as such, to take any action, or to refrain from taking any action, to the extent inconsistent with their fiduciary obligations or applicable law.

16.14         Execution in Counterparts. This Agreement may be executed in one or more counterparts. Each such counterpart shall be deemed an original, but all such counterparts together shall constitute one and the same agreement. This Agreement, to the extent signed and delivered by means of a facsimile machine, electronic mail, or other electronic transmission in which the actual signature is evident, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any Party, each other Party shall re-execute original forms hereof and deliver them to all other Parties. No Party shall raise the use of a facsimile machine, electronic mail, or other electronic transmission in which the actual signature is evident to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine, electronic mail or other electronic transmission in which the actual signature is evident as a defense to the formation of a contract and each Party forever waives such defense. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the Party against which enforcement is sought.

16.15         Section Headings. The headings of sections of this Agreement are inserted for convenience only and shall not be considered for the purpose of determining the meaning or legal effect of any provisions hereof.

16.16         Wiring of Funds. All amounts required to be paid under any provision of this Agreement shall be made by wire transfer of immediately available funds no later as 2:00 p.m. (Eastern Time) on the date that such payment is due, so long as all information necessary to complete the wire transfer has been received by the payor by 10:00 a.m. (Eastern Time) on the

date that such payment is due. In the event that the date on which any such payment is due is not a business day, then such payment shall be made by wire transfer on the next business day.

16.17        Nature of Remedies. No failure to exercise and no delay in exercising, on the part of Agent, any right, remedy, power, privilege or adjustment hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, privilege, or adjustment hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, privilege, or adjustment.

16.18        Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby and supersedes and cancels all prior agreements, including, but not limited to, all proposals, letters of intent or representations, written or oral, with respect thereto. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, the terms and provisions of the execution version of this Agreement will control and prior drafts of this Agreement and the documents referenced herein will not be considered or analyzed for any purpose (including in support of parol evidence proffered by any Person in connection with this Agreement), will be deemed not to provide any evidence as to the meaning of the provisions hereof or the intent of the Parties with respect hereto and will be deemed joint work product of the Parties.

16.19        Bidding and Auction. In consideration of Agent conducting its due diligence and entering into this Agreement, Merchant shall pay Agent (on the first business day following the entry of the approval order and consummation of such other transaction or such later date as Agent may agree) an expense reimbursement of (x) up to \$500,000 to cover Agent's reasonable out-of-pocket costs and expenses, associated with due diligence and professionals' fees and expenses associated with, among other things, negotiating, drafting, and obtaining approval of this Agreement and (y) up to \$1,600,000 for any actual, reasonable costs incurred to acquire signage ("Signage") for the Sale (together (x) and (y), the "Expense Reimbursement"). Upon the filing of the Bankruptcy Cases, Merchant shall promptly file a motion for the approval of the terms reflected in this Section 16.19 consistent with an order that is acceptable to the Agent (the "Bid Procedures Order").

16.20        Potential Joint Ventures. Agent shall have the right, in its sole discretion, to form a contractual joint venture with additional entities to serve as "Agent" hereunder as to this Agreement. However, Gordon Brothers Retail Partners, LLC shall remain liable for all liabilities and obligations of Agent hereunder.

16.21        Certain Definitions.

(a)        "Action" means any action, suit, litigation, arbitration, mediation, audit, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding) or prosecution, of any kind whatsoever, whether sounding in contract or tort, or whether at law or in equity, or otherwise under any legal or equitable theory, commenced, brought, conducted or heard by or before any governmental body.

(b)        "Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common

control with, such Person, and the term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management, affairs and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

(c) “Contract” means Merchant’s right, title, and interest in and to executory contracts (together with all amendments, extensions, modifications, and other material documents related thereto).

(d) “Excluded Assets” means:

(i) all documents prepared or received by Merchant or any of its affiliates or on their behalf in connection with the sale of the Assets, this Agreement or the other Agency Documents, the transactions contemplated by this Agreement, or the Bankruptcy Case, including (a) all records and reports prepared or received by Merchant or any of its Affiliates or representatives in connection with the sale of the Assets or the transactions contemplated by this Agreement, including all analyses relating to the business of Merchant or any of its Affiliates so prepared or received, (b) all bids and expressions of interest received from third parties with respect to the acquisition of any of Merchant’s or any of its Affiliates’ businesses or assets, (c) all privileged materials, documents and records of Merchant or any of its Affiliates, (d) copies of the documents, materials and data related to liabilities prior to the Closing, (e) confidentiality agreements with prospective purchasers of the Assets, and (f) any other files or records to the extent relating to any Excluded Assets or liabilities or the Bankruptcy Case;

(ii) all current and prior insurance policies or employee benefit plans of Merchant or any of its Affiliates, including for the avoidance of doubt all director and officer insurance policies, and all rights and benefits of any nature of Merchant or any of its Affiliates with respect thereto, including all insurance recoveries thereunder and rights to assert claims with respect to any such insurance recoveries;

(iii) all equity interests;

(iv) Merchant’s claims, causes of action or other rights under this Agreement, including the Purchase Price, or any agreement, certificate, instrument, or other document executed and delivered between Merchant or its Affiliates and Agent or any of its Affiliates or designees in connection with the transactions contemplated by this Agreement, or any other agreement between Merchant or any of its Affiliates and Agent or any of its Affiliates or designees entered into on or after the date hereof;

(v) the Funded Reserve Account, as defined in the Cash Collateral Order;

(vi) all liabilities or other amounts owing from Merchant or any of its Affiliates;

(vii) all IT Systems; and

(viii) tax attributes of Merchant and its Affiliates other than those transferring to Agent by operation of applicable tax law, and, for the avoidance of doubt, other than the proceeds of any tax refunds or credits of Merchant and its Affiliates realized in cash or by reduction of a cash tax liability in lieu of cash that otherwise could have been received.

(e) “IP Rights” means all intellectual property rights throughout the world including all U.S. and foreign rights in any of the following: (a) patents, patent applications, patent disclosures and inventions (whether or not protectable under patent law), together with all reissues, continuations, continuations-in-part, revisions, divisionals, extensions, and reexaminations in connection therewith; (b) trademarks, service marks, trade names (in each case, whether registered or unregistered), domain names, logos, design rights, corporate names, and registrations and applications for registration thereof and goodwill associated with any of the foregoing (collectively, “Trademarks”); (c) copyrights and copyrightable works (registered or unregistered) and registrations and applications for registration thereof; (d) computer programs (whether in source code, object code, or other form), computer software, firmware, data, databases, and rights therein, and all documentation, including user manuals and training materials, programmers’ annotations, notes, and other work product used to design, plan, organize, maintain, support or develop, or related to any of the foregoing (collectively, “Software”); (e) confidential and proprietary information, trade secrets and know-how, and all other inventions, proprietary processes, formulae, models, and methodologies (collectively, together with Software, “Trade Secrets”); (f) all customer information, customer lists, and related documentation and information; and (g) all rights and remedies (including the right to sue for and recover damages) against past, present, and future infringement, misappropriation, or other violation relating to any of the foregoing.

(f) “IT Systems” means all (i) Software, computers, computer systems, servers, hardware, telecommunications and network equipment firmware, middleware, websites, databases, networks, servers, workstations, routers, hubs, switches, data communication equipment and lines, telecommunications equipment and lines, co-location facilities and equipment, and all other information technology equipment and related items of automated, computerized or software systems, including any outsourced systems and processes and the data transmitted thereby or thereon, in each case owned, leased or licensed by Merchant or used in or relied on in connection with the business of Merchant.

(f) “Permitted Encumbrances” means (i) encumbrances for utilities and taxes not yet due and payable, or that are being contested in good faith, or the nonpayment of which is permitted or required by the Bankruptcy Code, (ii) easements, rights of way, restrictive covenants, encroachments and similar non-monetary encumbrances or non-monetary impediments that do not, individually or in the aggregate, adversely affect the operation of the Assets and, in the case of the Leases, that do not, individually or in the aggregate, adversely affect the use or occupancy of the respective leased real property, (iii) applicable zoning laws, building codes, land use restrictions and other similar restrictions imposed by law, (iv) materialmans’, mechanics’, artisans’, shippers’, warehousemans’ or other similar common law or statutory liens incurred in the ordinary course for amounts not yet due and payable or that are being contested by appropriate proceedings, (v) real estate taxes, assessments and other governmental levies, fees or charges imposed with respect to real property which are not yet due or that are being contested in good

faith, (vi) licenses granted on a non-exclusive basis, and (vi) solely prior to Closing, any encumbrances that will be removed or released by operation of the Approval Order.

(g) “Person” means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, labor union, organization, estate, governmental body or other entity or group.

16.22 Rules of Interpretation. Unless otherwise expressly provided in this Agreement, the following will apply to this Agreement, the Schedules and any other certificate, instrument, agreement or other document contemplated hereby or delivered hereunder.

(a) The terms “hereof,” “herein” and “hereunder” and terms of similar import are references to this Agreement as a whole and not to any particular provision of this Agreement, section, clause, schedule and exhibit references contained in this Agreement are references to sections, clauses, schedules and exhibits in or to this Agreement, unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall be defined as set forth in this Agreement.

(b) Whenever the words “include,” “includes” or “including” are used in this Agreement, they will be deemed to be followed (even if not actually followed) by the words “without limitation.” Where the context permits, the use of the term “or” will be equivalent to the use of the term “and/or.”

(c) The words “to the extent” shall mean “the degree by which” and not simply “if.”

(d) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period will be excluded. If the last day of such period is a day other than a business day, the period in question will end on the next succeeding business day.

(e) Words denoting any gender will include all genders, including the neutral gender. Where a word is defined herein, references to the singular will include references to the plural and vice versa.

(f) The word “will” will be construed to have the same meaning and effect as the word “shall”. The words “shall,” “will,” or “agree(s)” are mandatory, and “may” is permissive.

(g) All references to a day or days will be deemed to refer to a calendar day or calendar days, as applicable, unless otherwise specifically provided.

(h) Any reference to any agreement or Contract will be a reference to such agreement or Contract, as amended, modified, supplemented or waived.

(i) Any reference to any particular Bankruptcy Code or Tax Code section or any Law will be interpreted to include any amendment to, revision of or successor to that section or Law regardless of how it is numbered or classified; provided that, for the purposes of the

representations and warranties set forth herein, with respect to any violation of or non-compliance with, or alleged violation of or non-compliance, with any Bankruptcy Code or Tax Code section or Law, the reference to such Bankruptcy Code or Tax Code section or Law means such Bankruptcy Code or Tax Code section or Law as in effect at the time of such violation or noncompliance or alleged violation or non-compliance.

(j) A reference to any Party to this Agreement or any other agreement or document shall include such Party's successors and assigns, but only if such successors and assigns are not prohibited by this Agreement.

(k) A reference to a Person in a particular capacity excludes such Person in any other capacity or individually.

*[signature page follows]*

IN WITNESS WHEREOF, each Party hereby executes this Agreement by their respective duly authorized representatives as a sealed instrument as of the day and year first written above.

## Merchant:

**JOANN INC.**

Signed by:  
  
Jeffrey Dwyer  
4DF1EAF5E3E724E7

Name: Jeff Dwyer

Title: Interim Chief Financial Officer

*[Signature Page to Agency Agreement]*

**Agent:**

**GORDON BROTHERS RETAIL PARTNERS, LLC**

By:   
Name: Kyle Shonak  
Title: Chief Transaction Officer

**List of Exhibits**

Exhibit 1(a)(1)	Stores
Exhibit 1(a)(2)	Distribution Centers
Exhibit 2(b)(iv)	Form of Asset Designation Notice
Exhibit 3.1(b)	Wind-Down Budget
Exhibit 3.1 (c)	Central Services Budget
Exhibit 4.1(c)	Per Store Occupancy Expenses
Exhibit 8.1	Sale Guidelines
Exhibit 11.2(m)	Promotional Calendar

**Annex 1**

JOANN INC.  
Creative Tech Solutions LLC  
Creativebug, LLC  
Dittopatterns LLC  
JAS Aviation, LLC  
JOANN DittoHoldings Inc.  
JOANN Holdings 1, LLC  
JOANN Holdings 2, LLC  
Jo-Ann Stores, LLC  
Jo-Ann StoresSupport Center, Inc.  
joann.com, LLC  
Needle Holdings, LLC  
WeaveUp, Inc.

**Exhibit 1(a)(1)**

**Stores**

**Exhibit 1(a)(1)****Store List**

Store No.	Store	Address	City	State	Zip Code	Open Date	Square Ft
168	Creekside Plaza	1830 E Parks Hwy Ste A122	Wasilla	AK	99654	07/03/98	12,243
2545	University Center	3801 Old Seward Highway	Anchorage	AK	99503	08/13/20	30,637
2114	Gavora Mall	250 3Rd St Ste1	Fairbanks	AK	99701	09/23/05	35,800
557	Soldotna Plaza	35535 Kenai Spur Hwy	Soldotna	AK	99669	09/12/92	12,525
1096	Nugget Mall	8745 Glacier Hwy	Juneau	AK	99801	03/14/03	22,176
2169	Riverchase Promenade	1709 Montgomery Hwy S	Hoover	AL	35244	09/11/09	25,677
2010	Cox Creek Plaza	354 Cox Creek Pkwy	Florence	AL	35630	08/27/10	17,542
2184	Huntsville Plaza	5900 B University Drive	Huntsville	AL	35806	02/04/11	15,459
2376	Mobile Festival Centre	3725 Airport Blvd, Unit 100-C	Mobile	AL	36608	08/30/13	21,364
2177	Eastchase Market SC	7951 Eastchase Pkwy	Montgomery	AL	36117	01/31/10	30,247
2497	Freestanding	1702 Veterans Memorial Pkwy East	Tuscaloosa	AL	35404	03/30/17	10,098
1894	Spring Creek Centre	3835 North Mall Ave	Fayetteville	AR	72703	08/27/10	19,284
2453	Scottsdale Center	206 S Promenade Blvd	Rogers	AR	72758	10/04/15	18,000
2498	Fort Smith Marketplace	7609 Rogers Avenue	Fort Smith	AR	72903	02/16/17	11,985
2483	University Plaza	2813 E Nettleton Avenue	Jonesboro	AR	72401	09/29/16	11,987
2297	Lakewood Village	2637 Lakewood Village Drive	No Little Rock	AR	72116	04/13/12	18,452
2349	Shackleford Crossing	2616 S Shackleford Rd, Ste A	Little Rock	AR	72205	08/30/13	14,000
1831	South Riordan Ranch Road	1514 S Riordan Ranch St	Flagstaff	AZ	86001	01/07/11	17,520
2186	Riverview Mall	2303 Miracle Mile Road	Bullhead City	AZ	86442	02/04/11	23,545
1305	Buckhorn Plaza	6136 E Main St	Mesa	AZ	85205	10/04/90	9,967
1404	Santa Fe Square	965 S Gilbert Rd	Mesa	AZ	85204	05/14/96	21,638
1913	North Valley S/C	8195 W Bell Rd Ste M-3	Peoria	AZ	85382	07/31/98	40,734
1917	Ahwatukee Foothills Towne Center	5021 E Ray Rd	Phoenix	AZ	85044	09/02/99	46,535
1965	Desert Ridge Market Place	21001 N Tatum Blvd	Phoenix	AZ	85050	10/18/01	45,000
2075	Santan Village Marketplace	2753 S. Market Street	Gilbert	AZ	85295	08/12/05	35,000
2132	Alameda Crossing	1717 N Dysart Road	Avondale	AZ	85392	10/20/06	25,308
2137	The Riverview at Dobson	825 N Dobson Road	Mesa	AZ	85201	06/15/07	35,000
2210	Tri Valley Plaza	1325 E. Florence Blvd	Casa Grande	AZ	85122	07/28/11	15,045
2281	Queen Creek Marketplace	21238 S. Ellsworth Loop Road	Queen Creek	AZ	85142	05/18/12	19,920
2522	Arcadia Fiesta SC	3049 East Indian School Road	Phoenix	AZ	85016	10/25/18	16,000
1859	Village At The Boulder	1260 Gail Gardner Way	Prescott	AZ	86305	02/08/06	22,400
2042	East Broadway Blvd	7255 East Broadway Blvd	Tucson	AZ	85710	03/19/04	36,454
2302	Oracle Wetmore	4380 N. Oracle Rd. Ste 150	Tucson	AZ	85705	02/03/13	16,050
2330	Sahuarita Plaza	18785 S I-19 Frontage Rd, Suite 113	Green Valley	AZ	85614	07/26/13	13,043
1014	Ming Retail Center	3010 Ming Ave	Bakersfield	CA	93304	05/07/98	20,284
2429	Ridgecrest Town Center	700 North China Lake Unit C	Ridgecrest	CA	93555	08/29/14	20,000
920	Skypark Plaza	2485 Notre Dame Blvd Ste 310	Chico	CA	95928	01/24/97	20,664
2084	River Park Plaza	8062 N Blackstone Ave	Fresno	CA	93720	02/08/06	35,000
2428	Clovis Crossing Shopping Center	1065 Herndon Ave.	Clovis	CA	93611	05/16/14	18,000
1152	Los Coyotes Centers	3588 Palo Verde Ave	Long Beach	CA	90808	02/01/74	12,000
1288	La Verne Plaza	2086 Foothill Blvd Ste A	La Verne	CA	91750	06/21/79	11,350
1447	Towne House Plaza	9901 Adams Ave	Huntington Beach	CA	92646	04/01/98	19,000
1798	Costco Plaza	2115 W Commonwealth Ave	Alhambra	CA	91803	05/31/94	13,472
1803	Foothill Blvd.	2160 Foothill Blvd	La Canada	CA	91011	01/12/87	8,400
1873	Former Warehouse Music	5255 Lakewood Blvd	Lakewood	CA	90712	03/12/10	14,850
1919	Del Amo Fashion Center	21800 Hawthorne Blvd Ste 100	Torrance	CA	90503	11/05/99	50,000
1954	Porter Ranch Town Center	19819 Rinaldi St	Northridge	CA	91326	06/09/00	45,000
2069	Destination Eight	39818 10Th Street W.	Palmdale	CA	93551	08/12/05	35,328
2119	Buena Park Promenade	5885 Lincoln Avenue	Buena Park	CA	90620	11/06/05	35,872
2126	Von Karmen Plaza	2170 Barranca Pkwy	Irvine	CA	92606	07/26/06	35,700
2374	Pride Center	22914 W Victory Blvd	Woodland Hills	CA	91367	08/30/13	28,434
2389	Freestanding (former Albertson's)	1000 South Central Avenue	Glendale	CA	91204	11/08/13	33,699
2406	La Cienega Square	1250 S La Cienega Blvd	Los Angeles	CA	90035	03/07/14	20,300
2442	Fullerton Crossroads	3300 Yorba Linda Boulevard	Fullerton	CA	92831	05/15/15	20,100
2449	Covina Town Square	1460 North Azusa Avenue	Covina	CA	91722	04/10/15	25,196
2452	Centre Point Village	26583 Carl Boyer Drive	Santa Clarita	CA	91350	04/10/15	24,970
2523	Orange Park Plaza	1411 N. Tustin Streets	Orange	CA	92867	11/08/18	18,547
2526	Foothill Ranch Towne Center South	26742 Portola Parkway	Foothill Ranch	CA	92610	11/15/18	22,500
2546	Riverside Woodman Plaza	13730 Riverside Drive	Sherman Oaks	CA	91423	04/07/20	46,956
2568	Former Ralph's Market	27871 La Paz Rd	Laguna Niguel	CA	92677	01/19/24	31,518
2583	Westridge Plaza	1310 S Beach Blvd	La Habra	CA	90631	08/21/23	28,021
1782	Standiford Avenue	200 Standiford Ave	Modesto	CA	95350	09/13/87	19,400
2420	Monte Vista Crossing	2717 Countryside Drive	Turlock	CA	95380	11/07/14	18,000
812	Harris Street	510 Harris St	Eureka	CA	95503	04/26/76	15,990
2202	Sonora Crossroads	1151 Sanguinetti Road	Sonora	CA	95370	11/11/11	17,440
2441	Grocery Outlet SC	11 N State Highway 49-88	Jackson	CA	95642	10/02/14	12,564
1223	Conejo Valley Plaza	1516 N Moorpark Rd	Thousand Oaks	CA	91360	01/20/00	30,000
1809	Shopping At The Rose	2351 N Rose Ave	Oxnard	CA	93036	10/15/93	15,000
1818	Santa Susana Plaza	2242 Tapo St	Simi Valley	CA	93063	07/15/85	22,869
2353	Freestanding	1175 Dana Drive	Redding	CA	96003	04/12/13	28,588
1440	Country Side Center	2250 Griffin Way	Corona	CA	92879	11/08/97	20,540
1920	Commons At Temecula	40462 Winchester Rd	Temecula	CA	92591	02/18/00	35,150

**Exhibit 1(a)(1)****Store List**

Store No.	Store	Address	City	State	Zip Code	Open Date	Square Ft
2096	Orange Tree Marketplace	1625 W Lugonia Avenue	Redlands	CA	92374	03/22/06	35,350
2142	Monterey Marketplace II	72765 Dinah Shore Dr	Rancho Mirage	CA	92270	08/02/08	31,419
2270	High Desert Gateway	12779 Main Street	Hesperia	CA	92340	03/08/12	20,004
2422	Riverside Plaza	3635 Riverside Plaza Dr. Ste.240	Riverside	CA	92506	05/16/14	15,131
2527	Village West Shopping Center	2981 West Florida Avenue (Unit G1)	Hemet	CA	92545	06/27/19	21,398
2529	Chino Town Square	5545 Philadelphia St	Chino	CA	91710	06/27/19	18,369
2590	Town Center Square	10930 Foothill Blvd	Rancho Cucamonga	CA	91730	07/31/24	37,355
1568	Arden Square	3130 Arden Way	Sacramento	CA	95825	11/28/95	19,500
1771	Westgate S/C	375 W Main St Ste E	Woodland	CA	95695	12/13/87	12,024
2033	Elk Grove Marketplace	8509 Bond Road	Elk Grove	CA	95624	09/17/04	35,000
2082	Fairway Commons	5811 Five Star Blvd	Roseville	CA	95678	05/13/05	35,000
2203	Folsom Square	1010 East Bidwell Street	Folsom	CA	95630	10/07/11	17,270
2542	Sunrise Village Shopping Center	5489 Sunrise Blvd	Citrus Heights	CA	95610	03/10/22	27,150
2444	Westridge Center	1425 N. Davis Road	Salinas	CA	93907	10/03/14	16,355
1011	Fletcher Hills Town & Country	2756 Fletcher Pkwy	El Cajon	CA	92020	11/14/97	27,384
1464	Camino Town & Country S/C	2227 S El Camino Real Ste C	Oceanside	CA	92054	01/26/97	17,262
1843	Poway Center	12313 Poway Rd	Poway	CA	92064	12/01/87	20,250
1845	Point Loma Plaza	3633 Midway Dr	San Diego	CA	92110	07/03/99	14,950
1886	Bay Plaza S/C	1410 E Plaza Blvd Ste A	National City	CA	91950	02/01/89	13,300
2559	Grand Plaza	177 South Las Posas Road	San Marcos	CA	92078	09/08/22	40,000
112	Tamal Vista Blvd.	245 Tamal Vista Blvd	Corte Madera	CA	94925	01/01/75	12,450
730	South El Camino Real	1948 S El Camino Real	San Mateo	CA	94403	01/30/92	14,008
871	Peninsula Boardwalk	308 Walnut St	Redwood City	CA	94063	12/01/96	16,336
2133	Park & Shop	1675 B Willow Pass Road	Concord	CA	94520	03/22/06	38,088
2150	El Cerrito Plaza	300 El Cerrito Plz	El Cerrito	CA	94530	07/11/08	34,310
2189	Amador Plaza Rd	7177 Amador Plaza Road	Dublin	CA	94568	05/20/11	25,377
2271	Greenhouse Marketplace	699 Lewelling Blvd Suite 230	San Leandro	CA	94579	07/26/12	25,000
2533	Westlake Shopping Center	423 Westlake Center (Second Level)	Daly City	CA	94015	10/24/19	22,900
605	Portal Plaza	19765 Stevens Creek Blvd	Cupertino	CA	95014	08/15/84	17,614
1787	Tenant Station S/C	225 Tenant Sta	Morgan Hill	CA	95037	03/26/93	14,720
1878	Safeway SC	4950 Almaden Expy Ste 10	San Jose	CA	95118	04/30/10	23,563
2200	Freestanding (Former Circuit City)	1535 South Bradley Road	Santa Maria	CA	93454	05/20/11	19,014
154	Industrial Drive	3620 Industrial Dr	Santa Rosa	CA	95403	12/29/91	15,000
1763	Expressway Mall	425 Rohnert Park Expy W	Rohnert Park	CA	94928	09/01/92	20,000
1877	Stadium Center	2210 Daniels St	Manteca	CA	95337	04/30/10	20,807
2474	Park West Place	10916-B Trinity Parkway	Stockton	CA	95219	06/30/16	18,192
850	Vacaville Commons	2051 Harbison Dr	Vacaville	CA	95687	01/30/93	15,052
2473	Sequoia Plaza	3930 S. Mooney Blvd	Visalia	CA	93277	10/20/16	21,282
2462	Raley's Center	704 West Onstott Rd	Yuba City	CA	95991	11/06/15	19,794
1674	Arapahoe Village S/C	2440 Arapahoe Ave	Boulder	CO	80302	11/01/87	17,258
2062	First & Main Town Center	3795 Bloomington St	Colorado Springs	CO	80922	10/29/04	35,000
1095	Southwest Commons	8601 W Cross Dr Unit Sm	Littleton	CO	80123	03/14/03	25,650
1672	Aurora City Square	13861 E Exposition Ave	Aurora	CO	80012	10/20/86	15,500
1858	Marketplace At Northglenn	341 W 104Th Ave # 3	Northglenn	CO	80234	11/22/02	21,916
2055	Yosemite Park Mall	9090 East Phillips Place	Centennial	CO	80112	10/29/04	35,350
2071	Saddle Rock Village	7360 South Gartrell Road	Aurora	CO	80016	03/25/05	35,000
2179	University Hills	2580 South Colorado Blvd	Denver	CO	80222	06/04/10	26,300
2234	Freestanding, Former Circuit City	10750 W Colfax Ave # 100	Lakewood	CO	80215	09/02/11	20,970
2390	Westminster City Center	9250 Sheridan Blvd #200	Westminster	CO	80031	07/25/14	23,261
2124	The Marketplace at Centerra	1601 Fall River Drive	Loveland	CO	80538	03/22/06	35,231
2228	Thunderbird Plaza	2701 S. College Ave. Unit 160	Fort Collins	CO	80525	02/03/12	22,220
2238	Mesa Mall	2424 Highway 6 & 50. Space 0015	Grand Junction	CO	81505	11/10/11	14,150
2013	Pueblo Mall	3449 Dillon Dr	Pueblo	CO	81008	07/16/10	15,350
2182	Shop Rite Plaza	143 Federal Rd	Brookfield	CT	06804	11/05/10	12,859
701	Clinton Commons S/C	274 E Main St	Clinton	CT	06413	05/30/92	10,000
1924	Plaza At Buckland Hills	1440 Pleasant Valley Rd	Manchester	CT	06042	10/07/98	45,900
1942	Berlin Turnpike	3105 Berlin Tpke	Newington	CT	06111	10/01/99	39,239
2266	Freshwater Plaza	136 Elm Street, Suite A	Enfield	CT	06082	02/03/12	13,865
2411	Shop Rite Plaza	774 Queen St.	Southington	CT	06489	02/02/14	19,693
976	Hamden Mart S/C	2300 Dixwell Ave	Hamden	CT	06514	05/02/06	25,494
2123	Milford Crossing	1405 Boston Post Road	Milford	CT	06460	06/19/07	35,000
2367	Torrington Plaza	39 South Main St	Torrington	CT	06790	03/07/14	15,848
1607	Ames S/C	117 Salem Tpke	Norwich	CT	06360	01/01/91	14,006
630	Centre At Dover	283 N Dupont Hwy Ste F	Dover	DE	19901	08/21/91	11,602
2063	Christiana Town Center	341 W Main St	Newark	DE	19702	08/06/04	36,250
173	Merchants Crossing S/C	15201 N Cleveland Ave Ste 400	Fort Myers	FL	33903	06/02/93	16,000
1922	South Plaza	4610 S Cleveland Ave	Fort Myers	FL	33907	11/17/98	45,000
2537	Coconut Pointe	8072 Mediterranean Drive	Estero	FL	33928	09/19/19	18,322
816	Mariner Plaza	224B Eglin Pkwy Ne	Fort Walton Beach	FL	32547	01/12/93	15,750
2580	Shoppes at Paradise Key	4437 Commons Dr.	Destin	FL	32541	03/31/23	33,875
1595	Volusia Plaza	2400 W International Spdwy Blvd	Daytona Beach	FL	32114	09/11/08	22,352
2391	The Esplanade At Butler Plaza	3202 Sw 35Th Blvd	Gainesville	FL	32608	02/02/14	36,185

**Exhibit 1(a)(1)****Store List**

Store No.	Store	Address	City	State	Zip Code	Open Date	Square Ft
1925	Argyle S/C	6001 Argyle Forest Blvd Ste 11	Jacksonville	FL	32244	09/11/98	48,945
2039	St Johns Town Center	10261 River Marsh Drive Ste 149	Jacksonville	FL	32246	02/11/05	35,000
2335	Village of Amelia	463877 State Road 200	Yulee	FL	32097	07/26/13	14,000
312	North Lakeland Plaza	4241 Us Highway 98 N	Lakeland	FL	33809	03/31/00	19,100
902	Shops At Avenue O	1522 3Rd St Sw	Winter Haven	FL	33880	11/19/95	12,375
135	Flagler Park Plaza	8257 W Flagler St	Miami	FL	33144	02/01/91	12,016
583	JOANN Fabrics Plaza	10875 Caribbean Blvd	Miami	FL	33189	01/01/80	19,557
968	The Greenery	7706 N Kendall Dr	Miami	FL	33156	06/03/88	18,490
1023	Pompano Marketplace	1131 S Federal Hwy	Pompano Beach	FL	33062	10/19/97	20,200
1044	Hollywood Blvd	4700 Hollywood Blvd	Hollywood	FL	33021	03/28/97	19,880
1452	Riverwalk Shopping Plaza	1632 S Federal Hwy	Boynton Beach	FL	33435	02/01/97	14,938
1596	Margate Shopping Center	3340 Nw 62Nd Ave	Margate	FL	33063	08/21/08	21,441
1862	Shoppes at Isla Verde	940 S State Road 7	Wellington	FL	33414	09/11/08	21,600
2144	11251 Pines Blvd.	11251 Pines Blvd	Pembroke Pines	FL	33026	08/15/08	27,109
2167	The Fountains	801 South University Dr Suite 75	Plantation	FL	33324	06/24/11	20,000
2435	Northlake Commons	3942 Northlake Blvd	West Palm Beach	FL	33403	04/28/16	25,345
2077	The Shoppes at Naples Center	6424 Naples Blvd Suite 501	Naples	FL	34109	07/28/06	24,816
998	The Landings	4934 S Tamiami Trl	Sarasota	FL	34231	10/01/97	20,411
1107	Venice Village	4143 Tamiami Trl S Bay 20	Venice	FL	34293	08/10/90	10,080
2282	Shoppes at University Center	8441 Cooper Creek Blvd	Bradenton	FL	34201	11/09/12	20,303
1244	Shady Oaks Shopping Center	2405 Sw 27Th Ave	Ocala	FL	34471	06/28/02	25,304
772	Village Market Place	365 E Burleigh Blvd	Tavares	FL	32778	11/01/94	20,306
1598	Village Crossroads	540 N Us Hwy 441	Lady Lake	FL	32159	08/21/08	21,600
1908	Colonial Landing	3562 E Colonial Dr	Orlando	FL	32803	02/27/98	37,308
1915	Brantley Square	924 W State Road 436 Ste 1450	Altamonte Springs	FL	32714	02/13/98	50,228
2032	Waterford Lakes Town Center	825 N Alafaya Trail	Orlando	FL	32828	11/21/03	35,000
2058	Target At Kissimmee West	4801 W Irlo Bronson Memorial Hwy	Kissimmee	FL	34746	02/11/05	35,000
2131	Town Center Plaza	120 N Entrance Road	Sanford	FL	32771	02/08/06	36,988
2139	Orlando Market	3379 Daniels Road	Winter Garden	FL	34787	09/28/07	35,314
2118	Shoppes of West Melbourne	1537 W New Haven Ave	West Melbourne	FL	32904	09/23/05	35,759
2298	23rd Street Plaza	413 East 23Rd Street	Panama City	FL	32405	07/26/13	20,579
2109	Tradewinds S/C	6601 N. Davis Highway Ste 25	Pensacola	FL	32504	08/12/05	35,190
2164	Square One Shopping Center	3563 Nw Federal Hwy	Jensen Beach	FL	34957	04/03/09	28,004
1484	Bayshore Village	4265 Tamiami Trl Unit I	Port Charlotte	FL	33980	06/25/92	9,500
2279	Century Town Center	5921 20Th St. Unit B	Vero Beach	FL	32966	04/13/12	11,048
736	Capitol Plaza	1802 Thomasville Rd	Tallahassee	FL	32303	07/14/94	18,765
333	Lakewood Plaza	4387 Commercial Way	Spring Hill	FL	34606	03/02/97	14,000
1333	Home Depot Plaza	10057 Us Highway 19	Port Richey	FL	34668	11/17/06	35,000
1861	Market Square at Tampa Palms	6234 Commerce Palms Blvd	Tampa	FL	33647	08/21/08	21,600
1958	Plaza At Citrus Park	12635 Citrus Plaza Dr	Tampa	FL	33625	11/09/00	45,965
1959	Lake Brandon Plaza S/C	11215 Causeway Blvd	Brandon	FL	33511	04/26/01	41,947
2025	Tyrone Corners SC	2500 66Th St N	Saint Petersburg	FL	33710	07/18/03	34,076
2031	Curlew Crossing	2343 Curlew Road	Dunedin	FL	34698	08/21/03	41,865
2534	Freestanding	3055 Atlanta Highway	Athens	GA	30606	09/19/19	21,500
1549	Douglas Corners S/C	9439 Highway 5	Douglasville	GA	30135	10/08/99	24,000
1921	Pleasant Hill Square	2255 Pleasant Hill Rd Ste 200	Duluth	GA	30096	04/07/00	26,000
1960	North Point Commons	965 N Point Dr	Alpharetta	GA	30022	11/09/00	38,418
2005	Presidential Commons	1630 Scenic Hwy N Ste O	Snellville	GA	30078	11/09/00	37,312
2016	Fayette Pavilion	250 Pavilion Pkwy	Fayetteville	GA	30214	10/01/01	42,000
2359	Conyers Plaza	1380 Dogwood Drive	Conyers	GA	30013	05/17/13	24,920
2364	Newnan Pavilion	1074 Bullsboro Drive, Unit #6	Newnan	GA	30265	08/30/13	18,239
2412	Suburban Plaza	2655 N. Decatur Road	Decatur	GA	30033	04/28/16	20,035
2414	Lakeland Plaza	540 A Lakeland Plaza	Cumming	GA	30040	11/07/14	17,793
2547	Freestanding	501 Roberts Ct	Kennesaw	GA	30144	07/16/20	42,059
2143	Richmond Plaza	3435 Wrightsboro Road	Augusta	GA	30909	05/16/08	36,736
2247	Golden Isles Plaza	137 Golden Isles Plaza Parkway	Brunswick	GA	31520	02/03/12	14,663
1583	Columbus Park Crossing	5555 Whittlesey Blvd Ste 2900	Columbus	GA	31909	09/11/08	21,000
2239	Lakeshore Marketplace	834-A Dawsonville Highway	Gainesville	GA	30501	07/29/11	19,800
1891	Shoppes at River Crossing	5080 Riverside Dr Ste 1300	Macon	GA	31210	07/16/10	20,331
2400	Tifton Mall	612 Virginia Ave North	Tifton	GA	31794	04/11/14	16,233
1021	Savannah Centre	7400 Abercorn St	Savannah	GA	31406	09/19/97	15,650
2490	Willow Lake Crossing	2951 Watson Blvd	Warner Robins	GA	31093	09/29/16	12,277
1650	Lincoln Center	632 Lincoln Way	Ames	IA	50010	12/01/85	12,000
2306	Lindale Mall	255 Collins Road Ne	Cedar Rapids	IA	52402	08/31/12	20,600
1645	Village S/C	902 W Kimberly Rd Ste 41	Davenport	IA	52806	03/31/01	25,200
2249	Metro North Shopping Center	1205 Se 16Th Court, Suite 200	Ankeny	IA	50021	03/09/12	18,250
2556	Valley Court Shopping Center	9999 University Avenue	Clive	IA	50325	07/28/22	33,330
2540	Plaza 20	2600 Dodge Street (Suite A-1)- Temp	Dubuque	IA	52003	10/24/19	18,000
2509	Iowa City Marketplace	1676 Sycamore Street	Iowa City	IA	52240	05/10/18	27,000
2333	Muscatine Mall	1903 Park Avenue	Muscatine	IA	52761	03/08/13	14,719
2399	Willow Creek Crossing	500 Indianhead Drive	Mason City	IA	50401	10/03/14	18,000
2416	Burlington Commons	3200 Agency Street, Ste 110	Burlington	IA	52601	11/07/14	18,000

**Exhibit 1(a)(1)****Store List**

Store No.	Store	Address	City	State	Zip Code	Open Date	Square Ft
2499	The Marketplace	3271 Marketplace Drive Suite: C1	Council Bluffs	IA	51501	06/22/17	20,310
2208	Crossroads Commons	1407 Flammang Drive	Waterloo	IA	50702	06/24/11	18,197
796	Federal Way Plaza	3275 S Federal Way	Boise	ID	83705	11/19/94	16,000
1683	Karcher Mall	1509 Caldwell Blvd	Nampa	ID	83651	03/31/01	21,120
2162	Milwaukee Market Place	1085 N. Milwaukee St	Boise	ID	83704	03/02/09	37,783
2326	Silver Lake Mall	200 West Hanley Ave Suite 1101	Coeur D Alene	ID	83815	03/08/13	18,335
2192	Grand Teton Plaza	2408 South 25Th East	Idaho Falls	ID	83404	03/11/11	24,000
1692	American Plaza	840 Blue Lakes Blvd N	Twin Falls	ID	83301	08/10/84	11,985
2469	Palouse Mall	1854 W. Pullman Road	Moscow	ID	83843	02/16/17	17,680
2183	Pocatello Square	1790 Hurley Dr.	Pocatello	ID	83201	11/10/10	13,427
2552	Bloomington Commons	1719 E Empire Street	Bloomington	IL	61704	10/29/21	21,828
2290	Champaign Town Center	722 West Town Center Blvd.	Champaign	IL	61822	04/12/12	17,642
138	Rivercrest Centre	4917 Cal Sag Rd	Crestwood	IL	60445	01/27/91	14,000
140	Danada Square West S/C	36 Danada Sq W	Wheaton	IL	60189	07/22/91	12,629
957	Four Flaggs S/C	8245 W Golf Rd	Niles	IL	60714	11/19/89	16,985
1579	Norridge Marketplace	4514 N Harlem Ave	Norridge	IL	60706	10/08/97	14,558
1589	Countryside Plaza	20 Countryside Plaza	Countryside	IL	60525	05/13/05	26,653
2024	Naper West Plaza	526 S State Route 59	Naperville	IL	60540	08/21/03	36,493
2048	Bloomingdale Court	362 W Army Trail Rd Ste 230	Bloomingdale	IL	60108	10/29/04	25,802
2057	Marketplace at Vernon Hills	413 N Milwaukee Ave Unit 500	Vernon Hills	IL	60061	02/11/05	40,024
2065	The Shoppes At Geneva Commons	714 Commons Drive	Geneva	IL	60134	09/17/04	35,350
2103	Lake View Plaza	15752 S. La Grange Rd	Orland Park	IL	60462	05/13/05	34,050
2113	Town & Country SC	373 E Palatine Road	Arlington Heights	IL	60004	11/04/05	36,400
2117	Riverfront Plaza	2639 N. Elston Ave	Chicago	IL	60647	09/23/05	43,233
2176	Chestnut Court	7511 Lemont Rd Ste 101	Darien	IL	60561	10/16/09	25,000
2198	High Point Centre	441 E Roosevelt Rd Space #410	Lombard	IL	60148	09/02/11	17,040
2220	Joliet Commons	2741 Plainfield Road	Joliet	IL	60435	06/24/11	15,000
2259	Shops At Fox River	3310 Shoppers Drive	Mchenry	IL	60050	03/09/12	17,172
2386	Joffco Square	555 W. Roosevelt Road	Chicago	IL	60607	11/08/13	16,651
2465	Freestanding	2391 County Line Road	Algonquin	IL	60102	11/06/15	19,875
2455	Village Mall	2917 North Vermillion Suite C17	Danville	IL	61832	07/24/15	16,427
2476	Freestanding Building	3911 16Th Street	Moline	IL	61265	10/27/16	16,900
2587	Bradley Commons	2056 N State Rt. 50 (Unit 15)	Bourbonnais	IL	60914	08/21/23	21,421
503	Quincy Mall	425 N 32Nd St	Quincy	IL	62301	08/18/78	15,193
521	University Plaza S/C	1332 E Main St	Carbondale	IL	62901	02/10/92	12,004
527	Eagle Center	1920 N Henderson St	Galesburg	IL	61401	09/27/96	14,040
2250	Sterling Lincoln Center	3201 East Lincolnway	Sterling	IL	61081	08/31/12	15,000
2324	Peru Mall	3940 Route 251 Suite A1	Peru	IL	61354	11/09/12	15,000
2418	Freeport Shopping Center	1611 South West Avenue	Freeport	IL	61032	07/25/14	18,018
2438	Cross County Mall	700 Broadway East	Mattoon	IL	61938	08/24/14	13,670
1637	Metro S/C	4700 N University St	Peoria	IL	61614	11/01/92	20,200
2586	State Street Market	6360 E. State Street	Rockford	IL	61108	11/10/23	28,500
2246	Former Circuit City	3051 W. Wabash Avenue	Springfield	IL	62704	11/11/11	22,000
2156	Commerce Plaza	10865 Lincoln Trl	Fairview Heights	IL	62208	03/27/09	25,546
607	Whitehall Plaza	3483 W 3Rd St	Bloomington	IN	47404	08/19/98	28,365
2068	The Shoppes Of Schererville	715 Us Highway 41	Schererville	IN	46375	03/25/05	35,266
2373	Merrillville Plaza	1916 E 80Th Ave No 14	Merrillville	IN	46410	02/02/14	26,008
2503	Eastbrook Plaza	2610 25Th Street	Columbus	IN	47201	10/05/17	14,329
2532	Market Centre	4024 Elkhart Road #25	Goshen	IN	46526	05/09/19	21,494
2128	Shoe Carnival Towne Centre	929 N Green River Rd	Evansville	IN	47715	02/08/06	37,227
2108	JOANN Plaza	4616 Coldwater Rd	Fort Wayne	IN	46825	08/12/05	35,400
1910	Castle Glen Plaza	8714 Castle Creek Parkway East Dr	Indianapolis	IN	46250	08/15/97	35,264
1966	Avon Town Square	10401 E Us Highway 36	Avon	IN	46123	08/19/01	28,000
2030	Greenwood Pavilion	1260 Us 31 North	Greenwood	IN	46142	10/10/03	35,007
2229	Washington Plaza	10030 East Washington Street	Indianapolis	IN	46229	07/29/11	21,500
2312	Greenbriar Shopping Center	1361 86Th Street West	Indianapolis	IN	46260	08/31/12	21,500
1863	Kokomo Shopping Center	2130 E Markland Ave	Kokomo	IN	46901	07/03/09	20,700
1149	Sagamore @ 26 Shopping Center	311 Sagamore Pkwy N	Lafayette	IN	47904	11/01/74	18,728
2569	Waterford North	1025 Veterans Pkwy	Clarksville	IN	47129	11/14/22	24,961
566	Lake Park S/C	4333 Franklin St	Michigan City	IN	46360	02/01/93	15,000
525	Northwest Plaza	1625 W McGalliard Rd	Muncie	IN	47304	09/13/75	18,000
328	Five Points Mall	1129 N Baldwin Ave Ste 32	Marion	IN	46952	11/10/71	11,160
573	Wal-Mart Plaza	3527 E Main St	Richmond	IN	47374	10/23/92	13,600
889	Pilgrim Place S/C	1406 Pilgrim Lane	Plymouth	IN	46563	10/03/92	10,048
899	Vincennes Plaza	630 Niblack Blvd # 6	Vincennes	IN	47591	01/10/93	16,750
995	Angola Plaza	2010 N Wayne St Ste G	Angola	IN	46703	01/15/90	7,500
2439	Town Fair Center	1224 James Ave	Bedford	IN	47421	06/15/14	12,175
2515	Germantown Center	3703 N. Newton St	Jasper	IN	47546	05/10/18	14,036
665	Wilshire Plaza	5612 Grape Rd	Mishawaka	IN	46545	05/18/97	21,690
2424	Broadmoor Plaza	1131 E. Ireland Road	South Bend	IN	46614	05/16/14	16,527
2165	Honey Creek Commons	5705 Us Hwy 41	Terre Haute	IN	47802	08/07/09	25,127
1926	Overland Park S/C	11401 Metcalf Ave	Overland Park	KS	66210	08/24/98	42,810

**Exhibit 1(a)(1)****Store List**

Store No.	Store	Address	City	State	Zip Code	Open Date	Square Ft
2070	West 63Rd Street	11215 West 63Rd Street	Shawnee	KS	66203	06/25/04	35,488
2481	Park Plaza	2108 W 27Th Street	Lawrence	KS	66047	10/27/16	14,148
2344	West Loop Shopping Center	1000 West Loop Place, Ste 120	Manhattan	KS	66502	11/08/13	22,000
1046	Central Mall	2259 S 9Th St Ste 38	Salina	KS	67401	10/16/98	16,159
2434	Crosswinds Commons	1133 Sw Wanamaker Rd Ste 200	Topeka	KS	66604	02/01/15	24,709
2193	North Rock Road	3665 North Rock Road	Wichita	KS	67226	03/11/11	26,398
2460	Westgate Market	6930 W. Kellogg Drive	Wichita	KS	67209	03/10/16	22,182
2261	Houston Lakes	87 Spiral Drive	Florence	KY	41042	03/09/12	23,936
2489	Towne Centre	219 Towne Drive	Elizabethtown	KY	42701	10/27/16	12,000
2392	Ashland Towne Center	500 Winchester Ave, Suite 700	Ashland	KY	41101	11/08/13	19,190
2538	Crossroads SC	125 East Reynolds Road, Suite 110	Lexington	KY	40517	09/19/19	30,000
2145	Shelbyville Road Plaza	4600 Shelbyville Rd Ste 280	Louisville	KY	40207	11/14/08	30,236
2343	Trademart Shopping Center	14569 N Us Highway 25 E, Unit 26	Corbin	KY	40701	03/08/13	15,000
2419	Barren River Plaza	376 North L Rogers Wells Blvd	Glasgow	KY	42141	05/16/14	17,163
2233	Owensboro Towne Center	5241 Frederica St. Space #3	Owensboro	KY	42301	07/29/11	13,560
2486	Power Center	1804 Macarthur Blvd	Alexandria	LA	71301	05/18/17	16,327
2269	Siegen Lane Marketplace	10545 South Mall Drive	Baton Rouge	LA	70809	03/09/12	22,000
2256	Ambassador Row	3559 Ambassador Caffery Parkway	Lafayette	LA	70503	11/11/11	28,000
2363	Village at Northshore	105 Northshore Blvd Suite 135	Slidell	LA	70460	03/08/13	20,125
2508	Westside North Shopping Center	91 Westbank Expressway Ste 490	Gretna	LA	70053	10/05/17	17,935
2544	Wilshire Plaza	725 Veterans Blvd	Metairie	LA	70005	08/06/20	20,250
2504	Bayou Walk Shopping Center	6634 Youree Drive	Shreveport	LA	71105	02/15/18	23,500
814	Christmas Tree Promenade	665 Iyannough Rd	Hyannis	MA	02601	10/28/92	17,645
107	Middleton Market Place	232A South Main St	Middleton	MA	01949	09/04/92	18,500
403	Hanover Commons	1302 Washington St	Hanover	MA	02339	05/16/92	13,280
408	Worcester Road	244 Worcester Rd	Natick	MA	01760	12/02/92	20,300
472	Westford Valley Mkt	174 Littleton Rd	Westford	MA	01886	06/26/92	11,620
777	Middlesex Commons	43 Middlesex Tpke	Burlington	MA	01803	12/11/92	15,000
858	Treble Cove Plaza	199 Boston Rd	North Billerica	MA	01862	05/24/92	12,754
1610	Village Mall	436 Broadway	Methuen	MA	01844	04/10/87	14,600
2161	Broadway Shopping Center	1073 Broadway	Saugus	MA	01906	11/14/08	22,500
2403	Walpole Mall	96 Providence Highway	East Walpole	MA	02032	11/07/14	24,760
292	Dalton Ave Plaza	457 Dalton Ave	Pittsfield	MA	01201	12/15/91	12,000
177	Dartmouth Town Ctr	454 State Rd	North Dartmouth	MA	02747	04/06/91	12,000
477	Shaw'S Plaza	300 New State Hwy	Raynham	MA	02767	09/15/91	15,775
2129	North Attleboro Marketplace	1360 South Washington St Unit 3	North Attleboro	MA	02760	09/08/06	35,000
2565	Ann & Hope Plaza	85 Highland Avenue	Seekonk	MA	02771	11/11/22	21,700
677	Holyoke Plaza	2267 Northampton St	Holyoke	MA	01040	09/03/87	15,120
826	Big Y Plaza	433 Center St Ste B	Ludlow	MA	01056	12/25/91	15,228
1609	Hampshire Mall	367 Russell St Ste A06	Hadley	MA	01035	11/22/02	15,000
418	Milford Plaza	91 Medway Rd Ste#3	Milford	MA	01757	06/06/92	23,250
1611	Old Shrewsbury Village	1000 Boston Tpke	Shrewsbury	MA	01545	04/14/00	20,000
1879	Mall at Whitney Field	100 Commercial Rd Space H	Leominster	MA	01453	04/28/10	18,304
245	Annapolis Plaza	150 Jennifer Rd Ste C	Annapolis	MD	21401	09/28/91	10,562
395	Westminster S/C	20 Englars Rd	Westminster	MD	21157	09/07/90	14,000
722	Garrison Forest Plaza	10377 Reisterstown Rd	Owings Mills	MD	21117	10/30/99	15,296
1906	Columbia Crossing	6161 Columbia Crossing Dr	Columbia	MD	21045	06/05/98	45,218
1912	Tollgate Plaza	615 Bel Air Rd Ste F	Bel Air	MD	21014	06/05/98	46,000
2090	Perring Plaza	1951 Joppa Road	Parkville	MD	21234	10/29/04	34,421
640	Lavala Plaza S/C	1313 National Hwy	Lavale	MD	21502	11/12/77	9,000
480	South End S/C	1109 Maryland Ave	Hagerstown	MD	21740	11/09/95	17,344
431	Patuxent Crossing	22576 Macarthur Blvd Ste 300	California	MD	20619	11/06/94	14,058
106	Diamond Square S/C	2A Bureau Dr	Gaithersburg	MD	20878	02/16/79	15,000
123	Beltway Plaza Mall	6200 Greenbelt Rd	Greenbelt	MD	20770	01/31/98	14,000
1951	Frederick County S/C	1003-C West Patrick St.	Frederick	MD	21702	06/08/99	39,063
2148	Brandywine Crossing	15920 Crain Highway Se	Brandywine	MD	20613	04/03/09	25,310
2381	Fox Run Shopping Center	521 N. Solomon'S Island Rd, Ste 34	Prince Frederick	MD	20678	11/08/13	12,020
2382	Westfield Wheaton Plaza	11160 Veirs Mill Road, Unit 180	Wheaton	MD	20902	10/04/13	22,218
873	Stillwater Avenue	710 Stillwater Ave	Bangor	ME	04401	08/13/92	23,400
875	Auburn Plaza	732 Center St	Auburn	ME	04210	07/15/92	12,189
410	Jfk Mall	180 Jfk Plz	Waterville	ME	04901	11/25/91	12,500
329	Topsham Fair Mall	49 Topsham Fair Mall Rd Ste 17	Topsham	ME	04086	05/17/97	17,900
429	Pine Tree S/C	1064 Brighton Ave	Portland	ME	04102	05/04/92	21,025
176	Oak Valley Center	2897 Oak Valley Dr	Ann Arbor	MI	48103	12/01/90	12,750
2004	Valley View Center S/C	3737 Carpenter Rd	Ypsilanti	MI	48197	04/26/01	45,000
2377	Minges Creek Plaza	5420 Beckley Road, Suite M	Battle Creek	MI	49015	08/30/13	19,790
492	Majestic Square	2950 Center Ave	Essexville	MI	48732	08/02/96	14,672
306	Grosse Pointe Farms	18850 Mack Ave	Grosse Pointe	MI	48236	07/01/71	17,000
351	Twenty-Fourth Avenue	4405 24Th Ave	Fort Gratiot	MI	48059	06/06/93	20,000
539	New Towne Centre	44740 Ford Rd	Canton	MI	48187	11/04/05	35,303
690	Madison Place S/C	32065 John R Rd	Madison Heights	MI	48071	02/06/04	35,861
733	Bloomfield Village Sq	4107 Telegraph Rd	Bloomfield Hills	MI	48302	10/10/03	28,000

**Exhibit 1(a)(1)****Store List**

Store No.	Store	Address	City	State	Zip Code	Open Date	Square Ft
753	Lapeer S/C	1865 W Genesee St	Lapeer	MI	48446	11/01/95	12,650
1927	Shelby Town Center	14367 Hall Rd	Shelby Township	MI	48315	04/23/99	31,941
1933	West Oaks II	43570 W Oaks Dr # B-3	Novi	MI	48377	11/05/99	49,675
1940	Freestanding (Former Circuit City)	20550 E. 13 Mile Road	Roseville	MI	48066	08/30/13	32,863
1948	The Crossings At Taylor	23877 Eureka Rd	Taylor	MI	48180	09/01/00	45,000
1962	The Auburn Mile	600 Brown Rd	Auburn Hills	MI	48326	07/18/00	44,015
2003	Brighton Mall	8449 W Grand River Ave	Brighton	MI	48116	07/22/01	36,280
2061	Hampton Plaza	2105 S Rochester Road	Rochester Hills	MI	48307	10/29/04	37,500
2104	Independence Market Place	23125 Outer Drive	Allen Park	MI	48101	09/23/05	35,000
2277	White Lake Market Place	9052 Highland Road	White Lake	MI	48386	07/26/12	25,660
2405	Livonia Commons	13489 Middlebelt Rd	Livonia	MI	48150	11/07/14	24,100
2407	Waterside Market Place	50809 Waterside Drive	Chesterfield	MI	48051	02/01/15	25,000
1590	Courtland Center	4190 E Court St Ste 101	Burton	MI	48509	02/08/06	26,000
2017	Genesee Commons S/C	G3603 Miller Rd	Flint	MI	48507	04/26/01	42,901
2163	The Shoppes At Centerpoint	3665 28Th St Se	Grand Rapids	MI	49512	03/27/09	38,500
2274	Former Best Buy	3900 Alpine Ave. Nw Suite B	Comstock Park	MI	49321	02/03/12	22,500
2378	Century Center	3323 Century Center St Sw	Grandville	MI	49418	08/30/13	21,177
305	Felch Street Plaza	12635 Felch St Ste 60	Holland	MI	49424	06/07/98	15,194
2122	Wisner Street Plaza	1099 N Wisner St	Jackson	MI	49202	11/04/05	37,232
498	Toy'S R'Us Plaza	6151 S Westnedge Ave	Portage	MI	49002	04/04/94	20,016
2022	Frandor S/C	533 Mall Ct	Lansing	MI	48912	03/14/03	30,077
2332	Westland Shopping Center	3750 West Saginaw Street	Lansing	MI	48917	11/09/12	20,084
2116	Lake Crossings	5663 Harvey Street	Norton Shores	MI	49444	11/04/05	35,350
2555	Scottdale Plaza	1800 M-139 Unit A	Benton Harbor	MI	49022	07/28/22	25,470
279	Southland Plaza	2576 S Main St	Adrian	MI	49221	12/01/96	12,103
294	Northwest Plaza	1910 N Saginaw Rd	Midland	MI	48640	06/14/88	15,000
348	Bear Point Plaza	2686 Us Highway 23 S	Alpena	MI	49707	02/01/89	13,000
414	East Bay Plaza	724 Munson Ave	Traverse City	MI	49686	08/01/73	22,606
1594	Bear Creek Plaza	1608 Anderson Rd	Petoskey	MI	49770	11/07/08	20,026
1869	Indian Hills Plaza	4208 E. Bluegrass Rd Ste A	Mount Pleasant	MI	48858	04/28/10	21,060
2521	Ferris Commons	1250 W. Perry Avenue	Big Rapids	MI	49307	10/25/18	15,000
1901	Saginaw Square	2920 Tittabawassee Rd	Saginaw	MI	48604	11/15/97	31,000
697	Irongate Mall	990 W 41St St Ste 2	Hibbing	MN	55746	10/24/79	15,750
2477	Burning Tree Plaza	5115 Burning Tree Plaza	Duluth	MN	55811	10/13/16	17,682
2191	Madison East Mall	1400 Madison Avenue Suite #500	Mankato	MN	56001	02/03/11	19,080
473	Bonaventure Plaza	1635 Plymouth Rd	Minnetonka	MN	55305	06/01/92	18,000
1876	Crossroads of Roseville	1649 W. County Rd B2	Roseville	MN	55113	03/05/10	23,023
1902	Tamarack Village	8208 Tamarack Vlg	Woodbury	MN	55125	08/07/97	45,215
1935	Arbor Lakes S/C	12550 Elm Creek Blvd N	Maple Grove	MN	55369	11/19/99	46,000
1941	Riverdale Village	12779 Riverdale Blvd Nw	Coon Rapids	MN	55448	04/07/00	45,850
1952	Apple Valley Square	7614 150Th St W	Apple Valley	MN	55124	02/18/00	45,384
2026	Yorktown Mall	3411 Hazelton Rd	Edina	MN	55435	08/21/03	34,066
2263	Elk Park Center	19154 Freeport Street Nw	Elk River	MN	55330	11/09/11	18,009
2283	Dean Lakes	4120 Dean Lakes Boulevard	Shakopee	MN	55379	05/18/12	17,040
2596	Birch Run Station	1717 Beam Avenue	Maplewood	MN	55109	10/23/24	27,000
863	Hutchinson Mall	1060 Highway 15	Hutchinson	MN	55350	06/19/83	13,060
1666	Paul Bunyan Mall	1401 Paul Bunyan Dr Nw Ste 60	Bemidji	MN	56601	06/17/93	14,766
1864	Kandi Mall	1605 1St St S	Willmar	MN	56201	11/07/08	17,519
1892	Westgate Mall	14136 Baxter Drive Suite 120	Brainerd	MN	56401	10/01/10	15,945
2166	Viking Plaza Mall	3015 Highway 29 South	Alexandria	MN	56308	10/01/10	18,336
2404	Faribo West Mall	200 Western Ave Nw, Suite C10	Faribault	MN	55021	02/02/14	14,544
2573	Rochester Marketplace	3839 Marketplace Drive NW	Rochester	MN	55901	04/03/23	23,725
518	Division Street Plaza	3332 W Division St	Saint Cloud	MN	56301	07/12/75	20,600
2289	Rockbridge Shopping Center	509 East Nifong	Columbia	MO	65201	02/03/13	19,002
1577	Capital Mall	3600 Country Club Dr Spc 408	Jefferson City	MO	65109	01/04/97	17,043
2273	Northpark Mall	101 N Range Line Road, Suite 354	Joplin	MO	64801	08/31/12	22,659
1918	Bolger Square	3810 Crackerneck Rd	Independence	MO	64055	11/19/99	46,350
2091	Platte Purchase Plaza	2201 Nw Barry Road	Kansas City	MO	64154	11/04/05	35,406
2257	Belton Marketplace	1153 E. North Avenue	Belton	MO	64012	03/09/12	21,000
1649	Primrose Market Place	3370 S Glenstone Ave	Springfield	MO	65804	06/11/99	16,000
1495	Hillcrest Plaza	603 N Belt Hwy	Saint Joseph	MO	64506	10/03/99	14,350
2153	Central Plaza	15355 Manchester Rd	Ballwin	MO	63011	05/05/09	30,244
2178	Mid Rivers	5610 Suemandy Rd	St Peters	MO	63376	07/16/10	34,250
2219	Former Circuit City	6910 S. Lindbergh Blvd	Saint Louis	MO	63125	07/29/11	28,575
2294	Twin City Plaza	101 Twin City Mall	Crystal City	MO	63019	03/07/12	15,614
2310	Deer Creek Shopping Center	3200 Laclede Station Rd	Saint Louis	MO	63143	03/08/13	19,710
2361	Phoenix Center	1976 Phoenix Center Drive	Washington	MO	63090	10/04/13	15,000
2268	The Junction	6361 I-55 North	Jackson	MS	39213	02/03/12	18,036
1874	Southaven Town Center	6535 Towne Center Crossing	Southaven	MS	38671	02/05/10	18,243
2225	Big Oaks Crossing	3875 North Gloster Street	Tupelo	MS	38804	05/20/11	22,000
2315	Market Place	2833 King Avenue West	Billings	MT	59102	07/26/12	20,000
2585	Holiday Village Mall	1200 10th Ave S	Great Falls	MT	59405	11/08/24	21,062

**Exhibit 1(a)(1)****Store List**

Store No.	Store	Address	City	State	Zip Code	Open Date	Square Ft
791	Holiday Village	1900 Brooks St	Missoula	MT	59801	02/01/94	24,265
856	Butte Plaza Mall	3100 Harrison Ave	Butte	MT	59701	11/24/95	9,000
1695	Gallatin Valley Mall	2825 W Main St Unit S	Bozeman	MT	59718	01/08/01	20,020
1696	Shopko Plaza	3131 N Montana Ave	Helena	MT	59602	09/20/02	12,000
1697	Brookstone Square	2165 Hwy 2 East Suite E	Kalispell	MT	59901	06/12/00	18,000
2284	Overlook Village	80 South Tunnel Road Suite 30	Asheville	NC	28805	05/17/12	22,835
2352	Blue Ridge Mall	1800 Four Seasons Blvd, Space D1	Hendersonville	NC	28792	05/17/13	14,826
2248	Carolina Pavilions	9523 South Blvd	Charlotte	NC	28273	11/11/11	23,500
2426	Monroe Mall	2115 W. Roosevelt Blvd, Suite 111	Monroe	NC	28110	05/16/14	20,059
1078	Oakcreek Village S/C	4600 Chapel Hill Blvd Ste 8	Durham	NC	27707	01/29/00	16,051
1098	Cross Creek Plaza	1800 Skibo Rd	Fayetteville	NC	28303	10/10/03	20,905
2252	Berkley Mall	625 N Berkeley Blvd #H	Goldsboro	NC	27534	11/08/13	15,313
1511	The Shoppes On Market	4644 W Market St	Greensboro	NC	27407	08/06/98	19,175
2318	Morganton Heights	E132 Morganton Heights Blvd	Morganton	NC	28655	11/08/13	12,500
2480	Valley Crossing	2102 Us Hwy 70 Se	Hickory	NC	28602	09/29/16	7,780
2205	Mooresville Consumer Square	221 Norman Station Blvd. Suite 2211	Mooresville	NC	28117	06/23/11	12,000
1074	Centrum At Crossroads	2420 Walnut St	Cary	NC	27518	03/30/00	24,975
1478	The Falls Centre	4412 Falls Of Neuse Rd Ste 101	Raleigh	NC	27609	07/20/97	18,250
2253	Sutters Creek Crossing	572 Sutter'S Creek Blvd	Rocky Mount	NC	27804	04/12/12	14,355
1471	University Centre	352 S College Rd Ste 24	Wilmington	NC	28403	08/13/92	14,000
2562	Silas Creek Crossing	3208 Silas Creek Parkway	Winston-Salem	NC	27103	10/27/22	27,410
2243	Gateway Mall	2700 State Street, Suite C	Bismarck	ND	58503	03/08/12	15,975
1865	TJ Maxx Plaza	4340 13Th Ave S Ste 101	Fargo	ND	58103	11/07/08	19,952
653	Columbia Junction Mall	2781 32Nd Ave S	Grand Forks	ND	58201	08/10/91	12,000
172	Town & Country S/C	1015 S Broadway	Minot	ND	58701	04/30/92	11,981
2371	East Park Plaza	220 N 66Th St Ste 270	Lincoln	NE	68505	05/17/13	31,650
2175	Baker Square	13415 W Center Rd	Omaha	NE	68144	11/05/10	31,837
2456	Wolf Creek Plaza	10521 S. 15Th Street	Bellevue	NE	68123	04/10/15	23,865
266	Newington Park	2064 Woodbury Ave Ste 302	Newington	NH	03801	10/17/92	22,500
824	Seacoast S/C	270 Lafayette Rd Unit 8	Seabrook	NH	03874	11/23/91	12,000
2301	Rochester Crossing	160 Washington St Ste 606	Rochester	NH	03839	05/18/12	13,037
2564	Nashua Mall Plaza	31 Gusabel Avenue	Nashua	NH	03063	09/02/22	37,113
132	Hooksett Village Shops	1328 Hooksett Rd	Hooksett	NH	03106	06/09/90	12,500
830	Belknap Mall S/C	12 Old State Rd	Belmont	NH	03220	09/19/92	16,395
904	Capitol S/C	80 Storrs St Ste 5	Concord	NH	03301	06/01/85	18,872
1614	Target Plaza	200 S Main St Rt 12A	West Lebanon	NH	03784	03/22/91	15,573
545	Festival At Hamilton S/C	3926 Festival At Hamilton	Mays Landing	NJ	08330	01/09/92	11,910
593	Shrewsbury Plaza	1026 Broad St	Shrewsbury	NJ	07702	11/01/76	15,000
1106	Colonia Plaza	1272 State Rt 27	Colonia	NJ	07067	06/01/72	15,700
2217	Freestanding (Former Comp USA)	30 A & S Drive	Paramus	NJ	07652	06/24/11	30,000
2341	Roxbury Mall	281-28 Rt 10E	Succasunna	NJ	07876	02/03/13	30,425
2383	Riverdale Crossing	48 Route 23	Riverdale	NJ	07457	10/04/13	21,807
2409	1379 Hooper Avenue	1379 Hooper Avenue	Toms River	NJ	08753	03/07/14	20,000
2089	Centerton Square	66 Centerton Road	Mount Laurel	NJ	08054	05/13/05	35,350
2355	Garden State Pavillion	2234 W Marlton Pike Rd Plot E3	Cherry Hill	NJ	08002	05/17/13	25,287
2558	Deptford Plaza	1120 Hurffville Road	Deptford	NJ	08096	10/26/22	40,003
551	Mercer On One	3371 Brunswick Ave	Lawrenceville	NJ	08648	02/02/76	18,115
1524	Cottonwood West Shopping Center	10131 Coors Blvd Nw Ste D3	Albuquerque	NM	87114	11/15/97	16,000
1669	Wyoming Blvd Northeast	2240 Wyoming Blvd Ne	Albuquerque	NM	87112	01/01/86	24,000
2576	Plaza Farmington	3558 E Main St	Farmington	NM	87402	10/24/22	20,020
1309	Pan America Plaza	1711 E University Ave	Las Cruces	NM	88001	08/01/81	9,550
1668	Plaza Princessa S/C	3140 Cerrillos Rd Ste B	Santa Fe	NM	87507	02/05/85	12,000
1769	Carson Mall	1344 S Stewart St	Carson City	NV	89701	10/01/90	10,240
1903	Best In The West S/C	2160 N Rainbow Blvd	Las Vegas	NV	89108	09/27/97	46,140
2015	Sunmark Plaza	651 Marks St	Henderson	NV	89014	08/21/01	42,000
2204	Elko Junction	2759 Mountain City Hwy	Elko	NV	89801	09/02/11	15,000
1774	Peckham Square	3750 Kietzke Ln	Reno	NV	89502	06/01/91	24,700
1602	Village Square	19 Clifton Country Rd	Clifton Park	NY	12065	01/09/92	10,500
1929	Northway Mall	1440 Central Ave Ste 2	Albany	NY	12205	09/26/00	45,491
2579	Parkway Plaza	3120 Vestal Parkway East	Vestal	NY	13850	05/19/23	30,000
455	Niagara Square	2429 Military Rd	Niagara Falls	NY	14304	03/27/89	13,001
1930	Burlington Plaza	1551 Niagara Falls Blvd	Amherst	NY	14228	11/06/98	38,668
1932	McKinley Milestrip Plaza	3540 McKinley Pkwy	Blasdell	NY	14219	05/21/99	48,592
2087	JOANN Plaza	4101 Transit Road Ste 1	Williamsville	NY	14221	09/17/04	38,903
1868	Southern Tier Crossing	1530 County Route 64	Horseheads	NY	14845	09/11/09	20,331
206	Queensbury Plaza	756 Upper Glen St Ste 15	Queensbury	NY	12804	10/18/95	15,260
2342	Cayuga Mall	2309 N Triphammer Rd, Unit 1	Ithaca	NY	14850	04/12/13	18,350
645	Kingston Plaza	1385 Ulster Ave	Kingston	NY	12401	06/19/96	14,678
153	Salisbury Plaza	580 Old Country Rd	Westbury	NY	11590	05/09/98	15,574
257	Great South Bay S/C	735 W Montauk Hwy	West Babylon	NY	11704	04/28/00	18,469
2241	Midway Plaza	965 Central Park Ave	Scarsdale	NY	10583	09/02/11	31,843
2567	Sayville Plaza	5159 Sunrise Hwy	Bohemia	NY	11716	04/05/23	31,484

**Exhibit 1(a)(1)****Store List**

Store No.	Store	Address	City	State	Zip Code	Open Date	Square Ft
301	Chautauqua Mall	318 E Fairmount Ave Rm 106	Lakewood	NY	14750	04/15/71	11,612
358	Riverside Plaza	162 Clinton St # 2	Cortland	NY	13045	08/01/72	14,132
461	The Shoppes at Dove Creek	4908 State Hwy 30 Ste#8	Amsterdam	NY	12010	09/11/97	14,000
822	K-Mart Plaza	228 W Main St Ste 12	Malone	NY	12953	12/21/91	10,408
1089	Tops Plaza	2503B W State Street	Olean	NY	14760	01/24/03	17,855
2195	Arsenal Plaza	1283 Arsenal Street	Watertown	NY	13601	06/24/11	18,795
2356	Fairview Plaza	160 Fairview Avenue Suite # 83	Hudson	NY	12534	11/08/13	15,360
898	Dunning Farms S/C	88 Dunning Rd Ste 23	Middletown	NY	10940	12/05/92	16,000
1603	Poughkeepsie Plaza Mall	2600 South Rd	Poughkeepsie	NY	12601	11/15/93	11,370
631	Wegmans Plaza	2157 Penfield Rd	Penfield	NY	14526	11/16/92	15,675
1943	Southtown Plaza	3333 W Henrietta Rd Ste 90	Rochester	NY	14623	11/05/99	45,460
1949	JOANN / Petsmart Plaza	3042 Ridge Rd W	Rochester	NY	14626	11/04/99	25,000
2211	Roseland Center	3225 State Route 364	Canandaigua	NY	14424	05/20/11	19,389
2064	Towne Center At Fayetteville	330 Towne Center Dr	Fayetteville	NY	13066	06/25/04	35,252
2264	Marketfair North	4154 State Route 31	Clay	NY	13041	11/11/11	26,878
1604	New Hartford S/C	120 Genesee St	New Hartford	NY	13413	01/24/01	25,000
171	Darrow Road	5381 Darrow Rd	Hudson	OH	44236	11/17/95	46,700
417	Tri-County Plaza	1500 Canton Rd	Akron	OH	44312	08/31/83	13,600
2021	Acme Plaza	3977 Medina Rd	Akron	OH	44333	10/31/02	29,198
1900	Belden Parke Crossing	5487 Dressler Rd Nw	North Canton	OH	44720	06/01/97	46,042
1621	Village Crossing	10400 Reading Rd	Evendale	OH	45241	03/28/01	17,138
2147	Arbor Square	8125 Arbor Square Drive	Mason	OH	45040	02/05/09	29,768
2181	Eastgate Crossing	4530 Eastgate Blvd.	Cincinnati	OH	45245	02/02/11	16,730
2240	Colerain Towne Center	10166 Colerain Avenue	Cincinnati	OH	45251	10/07/11	23,500
2513	Indian Springs Shopping Center	3177 Princeton Road	Hamilton	OH	45011	06/21/18	22,400
2589	Hyde Park Plaza	3872 C Paxton Avenue	Cincinnati	OH	45209	07/16/24	24,393
1586	Southland S/C	6901 Pearl Rd	Middleburg Heights	OH	44130	09/17/04	29,887
1592	Medina Grande Shoppes	5005 Grande Blvd	Medina	OH	44256	05/03/06	24,126
1907	Erie Commons	8000 Plaza Blvd	Mentor	OH	44060	02/27/98	35,984
1923	Great Northern S/C	26337 Brookpark Rd	North Olmsted	OH	44070	09/18/98	45,161
2272	Golden Gate	1533 Golden Gate Plaza, Suite #153	Mayfield Heights	OH	44124	05/18/12	23,528
2410	Midway Market Square	380 Market Drive	Elyria	OH	44035	03/07/14	25,594
523	Edgewood Plaza	1216 N Memorial Dr	Lancaster	OH	43130	11/23/96	15,000
866	Park Plaza	789 Hebron Rd	Heath	OH	43056	06/15/95	15,200
1928	Polaris Towne Centre	1265 Polaris Pkwy	Columbus	OH	43240	03/26/99	45,650
1947	The Festival At Sawmill	2747 Festival Ln	Dublin	OH	43017	11/05/99	48,737
2001	Easton Square	3880 Morse Rd	Columbus	OH	43219	09/28/00	51,950
2012	Taylor Square S/C	2891 Taylor Rd	Reynoldsburg	OH	43068	06/18/01	42,420
2054	Lincoln Village Plaza	4600 W Broad Street	Columbus	OH	43228	03/19/04	30,743
603	Beavercreek Towne Centre	2850 Centre Dr Ste G	Fairborn	OH	45324	07/01/97	19,800
608	Shiloh Springs Plaza	5001 Salem Ave	Dayton	OH	45426	03/26/77	18,172
944	Miami Valley Crossing	1256 E Ash St	Piqua	OH	45356	05/02/01	27,500
2136	South Towne Centre	2270 Miamisburg Centerville Rd	Dayton	OH	45459	05/03/06	36,293
227	Lima Center	2720 Elida Rd	Lima	OH	45805	09/08/89	16,608
975	Springfield S/C	594 N Lexington Springmill Rd	Mansfield	OH	44906	07/27/06	35,000
284	St Clair Plaza	15765 State Route 170 Ste 1	East Liverpool	OH	43920	11/25/83	12,000
309	Potter Village	1212 Oak Harbor Rd	Fremont	OH	43420	08/01/71	13,120
384	Zane Plaza	1080 N Bridge St	Chillicothe	OH	45601	02/01/73	10,032
2227	New Towne Mall	400 Mill Ave Se Suite 15	New Philadelphia	OH	44663	06/24/11	26,579
2242	Northtowne East	1001 N. Clinton St. Ste 01	Defiance	OH	43512	10/07/11	22,527
2380	Athens Mall	743 E. State Street, Suite O	Athens	OH	45701	07/26/13	20,152
2448	Former Home Depot	1991 Tiffin Avenue	Findlay	OH	45840	02/01/15	21,073
506	Lafayette Center	448 Pike St	Marietta	OH	45750	11/20/89	9,000
2451	Crossings at Sandusky	756 Crossings Road	Sandusky	OH	44870	03/06/15	16,000
308	Springfield Plaza S/C	1608J Upper Valley Pike Ste C9	Springfield	OH	45504	09/25/92	12,800
378	Hollywood City Center	282 S Hollywood Blvd	Steubenville	OH	43952	11/30/72	15,800
379	Reynolds Plaza	2559 S Reynolds Rd	Toledo	OH	43614	11/01/75	17,193
2300	Freestanding (frm Circuit City)	4948 Monroe St	Toledo	OH	43623	04/13/12	31,903
2459	Ohio Valley Mall	67800 Mall Ring Rd Unit 305	St. Clairsville	OH	43950	08/28/15	16,398
2502	Boulevard Centre at Eastwood Mall	5555 Youngstown Warren Road #14	Niles	OH	44446	02/15/18	22,341
2519	Shops @ Boardman Park	441 Boardman Poland Road	Youngstown	OH	44512	05/10/18	28,881
2393	Lawton Towne Center	449 Nw 2Nd St	Lawton	OK	73501	07/25/14	18,000
2291	Bradford Plaza	519 N Main St.	Stillwater	OK	74075	05/17/12	15,047
2358	Shawnee Mall	4901 N. Kickapoo Street	Shawnee	OK	74804	10/04/13	13,863
2267	Rockwell Plaza	8345 N. Rockwell Avenue	Oklahoma City	OK	73132	02/03/12	24,400
2548	Champions Centre	530 Ed Noble Parkway	Norman	OK	73072	09/08/22	30,244
2557	Union Plaza	10007 E 71st St	Tulsa	OK	74133	09/08/22	34,392
2168	Pioneer Crossing	61284 S Highway 97	Bend	OR	97702	10/01/10	23,290
2397	Freestanding	732 Sw 6Th Street	Redmond	OR	97756	11/08/13	15,300
2216	Corvallis Crossing	932 Nw Circle Blvd	Corvallis	OR	97330	05/20/11	18,656
800	Mohawk Market Place	2122 Marcota Rd	Springfield	OR	97477	08/22/92	14,040
2317	Freestanding	1024 Green Acres Road	Eugene	OR	97408	11/09/12	20,491

**Exhibit 1(a)(1)****Store List**

Store No.	Store	Address	City	State	Zip Code	Open Date	Square Ft
1739	Poplar Drive	2350 Poplar Dr	Medford	OR	97504	02/01/90	19,980
792	Bi-Mart Plaza	2248 Santiam Hwy Se	Albany	OR	97322	06/01/81	13,500
870	Miracle Village S/C	4069 Nw Logan Rd	Lincoln City	OR	97367	06/15/94	18,500
915	Cascade Square	1324 W 6Th St	The Dalles	OR	97058	11/01/85	12,000
1591	Sw 4Th Ave	2255 Sw 4Th Ave	Ontario	OR	97914	11/11/05	25,600
1731	Pony Village Mall	1611 Virginia Ave	North Bend	OR	97459	07/01/87	17,522
2232	Un-Named Shopping Center	180 Se Neptune Drive, Suite A	Warrenton	OR	97146	02/03/12	16,214
2311	Grants Pass Shopping Center	1090 Northeast E Street	Grants Pass	OR	97526	08/31/12	16,500
2321	Jefferson Square	2880 South 6Th Street	Klamath Falls	OR	97603	10/05/12	22,839
2461	Roseburg Marketplace	1438 Nw Garden Valley Blvd	Roseburg	OR	97471	03/10/16	18,000
633	Mcminnville Town Ctr	1401 N Highway 99W	Mcminnville	OR	97128	01/28/93	12,000
1742	Molalla Avenue	1842 Molalla Ave	Oregon City	OR	97045	10/01/89	20,000
2101	Crossroads at Orenco Station	7270 Ne Butler St	Hillsboro	OR	97124	11/04/05	35,399
2120	Tigard Shopping Plaza	11945 Sw Pacific Hwy Ste 250	Tigard	OR	97223	11/04/05	32,108
2396	Canyon Place	4005 Sw 117Th Street	Beaverton	OR	97005	11/08/13	17,442
2554	Former Salvation Army	10174 SE 82nd Avenue	Clackamas	OR	97086	04/30/22	40,259
2582	Gresham Town Fair	604 NW Eastman Pkwy	Gresham	OR	97030	05/18/23	24,948
2218	Lancaster Mall	783 Lancaster Dr. Ne. Suite #133	Salem	OR	97301	06/24/11	26,218
145	MacArthur Towne Center	2570 MacArthur Rd Ste 12	Whitehall	PA	18052	09/01/97	31,000
1073	Pleasant Valley S/C	3415 Pleasant Valley Blvd, Ste 78	Altoona	PA	16602	04/16/99	14,220
485	Summit Town Center	7200 Peach St Unit 150	Erie	PA	16509	03/18/91	15,000
1131	West Shore Plaza	1200 Market St	Lemoyne	PA	17043	09/01/74	20,125
2160	Colonial Commons	5084 Jonestown Rd	Harrisburg	PA	17112	10/10/08	25,500
2338	University Park S/C	1425 Scalp Ave, Space 110	Johnstown	PA	15904	04/12/13	18,614
181	Parkview Plaza	838 Plaza Blvd	Lancaster	PA	17601	04/01/91	17,014
644	Cedar Crest Sq S/C	1860 Quentin Rd	Lebanon	PA	17042	01/04/90	14,000
372	South Park Plaza	18921 Park Avenue Plz	Meadville	PA	16335	01/07/93	18,000
387	Dubois Mall	5456 Shaffer Rd	Du Bois	PA	15801	02/12/73	18,000
495	Lincoln Way East S/C	1678 Lincoln Way E # 7	Chambersburg	PA	17201	11/04/95	12,432
692	Regency Mall	1570 Oakland Ave	Indiana	PA	15701	05/25/01	14,965
2345	Susquehanna Valley Mall	1 Susquehanna Valley Mall Dr, D6	Selinsgrove	PA	17870	03/08/13	12,958
615	Norriton Square S/C	45 E Germantown Pike	Norristown	PA	19401	09/27/91	12,250
1185	Gateway S/C	153 E Swedesford Rd	Wayne	PA	19087	10/01/75	12,000
1588	Quakertown Plaza	1465 W Broad St Ste 20	Quakertown	PA	18951	03/25/05	22,888
1626	Montgomery Commons S/C	1200 Welsh Rd	North Wales	PA	19454	09/09/91	9,812
2078	Ashbridge Square	931 E Lancaster Ave	Downington	PA	19335	02/11/05	28,258
2092	The Court At Oxford Valley	320 Commerce Blvd	Fairless Hills	PA	19030	02/11/05	36,525
2111	Marple Crossroads	400 S. State Rd	Springfield	PA	19064	09/23/05	30,600
2303	Concordville Town Center	600 Town Centre Drive Suite D-108	Glen Mills	PA	19342	07/26/12	13,199
2354	Creekview Center	397 Easton Rd	Warrington	PA	18976	04/12/13	24,825
2357	Boulevard Plaza	11000 Roosevelt Blvd	Philadelphia	PA	19116	11/08/13	30,330
2512	The Shops at Coventry	351 West Schuylkill Rd	Pottstown	PA	19465	05/10/18	14,310
221	Great Southern S/C	1155 Washington Pike	Bridgeville	PA	15017	06/01/77	22,461
224	Pullman Square	160 Pullman Sq	Butler	PA	16001	10/23/93	16,905
683	Tri-County Plaza	360 Tri County Ln	Belle Vernon	PA	15012	07/01/79	10,560
970	Southland Four Seasons	513 Clairton Blvd	Pittsburgh	PA	15236	08/01/88	18,960
2045	Ross Towne Center	7375 Mcknight Road	Pittsburgh	PA	15237	03/19/04	38,542
2050	Cranberry Mall	20111 Rt 19	Cranberry Twp	PA	16066	02/06/04	36,301
2051	William Penn Hwy	3700 William Penn Highway	Monroeville	PA	15146	02/06/04	36,500
2053	Robinson Town Centre	1800 Park Manor Blvd Unit 5	Pittsburgh	PA	15205	03/19/04	40,684
2059	Greengate Centre	1600 Greengate Centre Blvd	Greensburg	PA	15601	03/25/05	35,250
2447	Pittsburgh Mills	133 Pittsburgh Mills Circle	Tarentum	PA	15084	03/06/15	21,903
2286	Former Borders	1075 Woodland Road	Reading	PA	19610	04/13/12	25,023
507	West Side Mall	150 W Side Mall Ste 150	Edwardsville	PA	18704	07/07/02	24,000
2574	Dickson City Crossing	638 Commerce Blvd	Dickson City	PA	18519	09/02/22	20,000
236	Suburban Plaza	505 Benner Pike	State College	PA	16801	11/17/92	16,960
200	TJ Maxx Plaza	1746 E 3Rd St	Williamsport	PA	17701	06/07/91	10,400
1103	South York Crossing	2136 S Queen St	York	PA	17403	03/07/98	16,316
2262	North Point Plaza	1150 Carlisle Street Suite #3	Hanover	PA	17331	02/03/12	14,335
235	Hermitage Towne Plaza	2481 E State St	Hermitage	PA	16148	10/17/91	13,960
2125	Marketplace Center	1500 Bald Hill Road Ste A	Warwick	RI	02886	09/08/06	35,000
2492	Market Place Shopping Center	123 Marketplace Drive	Anderson	SC	29621	09/29/16	11,250
2328	Ashley Crossing	2243 Ashley Crossing Dr, Suite C	Charleston	SC	29414	04/12/13	15,074
2351	Main St Marketplace	1215-B North Main Street	Summerville	SC	29483	05/17/13	23,125
1126	Fountain S/C	1200 Charleston Hwy	West Columbia	SC	29169	04/19/99	15,000
2172	Northpointe Commons	10050 Two Notch Rd Ste 13	Columbia	SC	29223	08/27/10	21,500
2201	Florence Mall	1945 West Palmetto Street #270	Florence	SC	29501	03/11/11	14,501
2314	Cross Pointe Plaza	840 Woods Crossing Road	Greenville	SC	29607	07/26/13	18,000
2566	Seaboard Commons	1120 Seaboard St	Myrtle Beach	SC	29577	07/29/22	32,500
2207	Westgate Crossing	660 Spartan Blvd.	Spartanburg	SC	29301	06/24/11	25,000
2511	University Mall	930 22Nd Avenue S.	Brookings	SD	57006	02/15/18	12,335
2475	Haines Station Plaza	2255 N Haines Avenue	Rapid City	SD	57701	10/13/16	11,622

**Exhibit 1(a)(1)****Store List**

Store No.	Store	Address	City	State	Zip Code	Open Date	Square Ft
516	Plaza 41 (Former Holz Haus)	2725 West 41St Street	Sioux Falls	SD	57105	10/05/12	21,110
2171	Hamilton Village	2020 Gunbarrel Road Suite 198	Chattanooga	TN	37421	10/01/10	24,200
2479	Governors Square Plaza	2831 Wilma Rudolph	Clarksville	TN	37040	02/16/17	26,079
2194	The Columns	1185 Vann Dr	Jackson	TN	38305	07/29/11	15,000
2494	Johnson City Plaza	108 Johnson City Plaza Dr	Johnson City	TN	37601	02/16/17	8,000
2500	Kingsport Shopping Center	1409 East Stone Drive	Kingsport	TN	37660	06/22/17	14,300
2313	Harvest Park Shopping Center	4627 Greenway Drive	Knoxville	TN	37918	11/09/12	15,000
2563	The Centre at Deane Hill	276 Morrell Road	Knoxville	TN	37919	08/12/22	40,000
2536	Shops of Forest Hill	3150 Village Shops Drive (Temp)	Germantown	TN	38138	10/03/19	24,970
1893	Towne Centre	1923 Old Fort Pkwy	Murfreesboro	TN	37129	08/27/10	20,010
1905	Cool Springs Market	2000 Mallory Ln Ste 270	Franklin	TN	37067	07/19/97	43,000
2135	Providence Marketplace	401 S Mount Juliet Rd Ste 640	Mount Juliet	TN	37122	07/27/06	35,384
2305	Village Of Rivergate	2088 Gallatin Pike North	Madison	TN	37115	08/30/13	33,741
2170	Governors Crossing	208 Collier Dr	Sevierville	TN	37862	08/27/10	12,000
2402	Northgate Mall	1600 Jackson St. Northgate Mall	Tullahoma	TN	37388	05/16/14	15,000
2482	Park Central Shopping Center	3206 South Clack Drive	Abilene	TX	79606	10/13/16	21,500
1001	Shops At Soncy	3220 S Soncy Rd	Amarillo	TX	79124	09/25/01	30,000
2140	Shops at Arbor Walk	10515 N Mo Pac Expy Bldg 1	Austin	TX	78759	03/09/07	35,000
2155	University Oaks	201 University Oaks Blvd	Round Rock	TX	78665	03/05/09	25,000
2571	Southpark Meadows	9500 S IH 35 Frontage Rd	Austin	TX	78748	12/07/22	35,000
1102	Dowlen Town Center	4035 N Dowlen Road	Beaumont	TX	77706	02/08/06	22,033
1268	Tejas Center	725 E Villa Maria Rd Ste 4100	Bryan	TX	77802	03/02/78	15,140
1032	Staples Crossing S/C	5625 S Padre Island Dr # B	Corpus Christi	TX	78412	02/23/01	26,700
1227	East Mockingbird Lane	6330 E Mockingbird Ln	Dallas	TX	75214	07/01/76	17,959
1291	Village At Collin Creek	700 Alma Dr	Plano	TX	75075	04/01/97	25,014
2027	South Frisco Village	2930 Preston Rd Ste 800	Frisco	TX	75034	04/25/03	35,000
2035	William D Tate Ave	1250 William D Tate Ave	Grapevine	TX	76051	06/13/03	26,185
2036	Preston Forest S C	11700 Preston Rd #810	Dallas	TX	75230	07/18/03	48,686
2083	Market Street Village	1439 W Pipeline Rd	Hurst	TX	76053	10/29/04	35,384
2106	Ridgemar Town Square	1400 Green Oaks Rd	Fort Worth	TX	76116	07/01/05	36,805
2134	Arlington Highlands S/C	137 Merchants Row Ste 165	Arlington	TX	76018	10/20/06	35,000
2197	The Plaza At Rockwall	1049 E. I.H. 30	Rockwall	TX	75087	09/02/11	15,000
2212	Rayzor Ranch	2640 West University Dr	Denton	TX	76201	05/17/13	21,890
2265	Hulen Fashion Center	5212 S Hulen Street	Fort Worth	TX	76132	11/11/11	21,795
2296	Towne Center	2050 West University Dr Suite 250	Mc Kinney	TX	75070	07/26/12	20,331
2501	Midlothian Towne Crossing	2000 F.M. 663 St 500	Midlothian	TX	76065	10/26/17	15,000
2560	Lakepointe Towne Crossing	715 Hebron Parkway	Lewisville	TX	75057	10/26/22	33,862
2575	Marketplace at Towne Centre	19105 Lyndon B Johnson Fwy	Mesquite	TX	75150	11/14/22	23,755
2446	Yarbrough Plaza	10501 Gateway Blvd W Bld 9	El Paso	TX	79925	02/01/15	27,515
1402	Copperfield Crossing	15520 Fm 529 Rd	Houston	TX	77095	01/07/96	14,500
1433	Willowchase Center	12918 Willow Chase Dr	Houston	TX	77070	05/16/14	20,918
2152	Baybrook Village	1529 W Bay Area Blvd	Webster	TX	77598	11/14/08	29,668
2206	Colony Square	16626 Southwest Freeway	Sugar Land	TX	77479	03/11/11	27,134
2226	Price Plaza	1219 North Fry Road	Katy	TX	77449	07/29/11	33,890
2292	Woodlands Home Center	25415 Interstate 45 Ste D	Spring	TX	77380	04/13/12	34,450
2415	Witte Plaza	9960 Old Katy Rd	Houston	TX	77055	04/11/14	25,000
2561	Meyerland Plaza	290 Meyerland Plaza	Houston	TX	77096	07/28/22	33,733
2570	Deerbrook Marketplace	20424 US-59	Humble	TX	77338	05/19/23	39,581
1488	Rockridge Plaza	5217 82Nd St Unit 123	Lubbock	TX	79424	03/31/94	15,595
2464	Pharr Town Center	500 N. Jackson Rd	Pharr	TX	78577	11/17/16	20,157
2325	Chimney Rock	6351 E. Hwy 191	Odessa	TX	79762	05/17/13	13,160
2157	The Pavillions	25 Ne Loop 410 Ste 114	San Antonio	TX	78216	10/10/08	33,735
2251	Bandera Pointe	11655 Bandera Road	San Antonio	TX	78250	02/03/12	25,000
2387	Interstate Plaza	1671 Ih-35 South, Suite 208	New Braunfels	TX	78130	02/02/14	17,979
2485	City Base Landing	3142 Se Military Drive Suite 126	San Antonio	TX	78235	10/27/16	15,200
2308	Sherman Commons	4127 N Hwy 75	Sherman	TX	75090	07/26/12	20,451
2572	The Village at Cumberland Park	8950 S Broadway Ave	Tyler	TX	75703	10/26/22	28,751
2445	Central Texas Marketplace	4633 S. Jack Kultgen Expy Unit 104	Waco	TX	76706	04/10/15	25,000
1752	South Main Street	190 S Main St	Logan	UT	84321	12/01/91	20,839
2180	Renaissance Square	622 South Main Street	Cedar City	UT	84720	10/15/10	19,424
2365	Gardner Towne Center	2089 West Hwy 40	Vernal	UT	84078	03/04/14	15,032
2107	Family Center at Riverdale	4978 South 1050 West	Riverdale	UT	84405	11/04/05	35,347
2295	Centerville Marketplace	302 North Marketplace Dr	Centerville	UT	84014	04/13/12	23,815
2334	Clinton Towne Center	1803 West 1800 North Suite G1	Clinton	UT	84015	07/26/12	23,985
1756	The Family Center At Orem	172 E University Pkwy	Orem	UT	84058	11/16/01	27,873
2331	American Fork Shopping Center	640 East State Road	American Fork	UT	84003	07/26/12	25,436
2379	Northgate Shopping Center	1082 N Main Street	Spanish Fork	UT	84660	03/06/15	21,931
2074	The Crossroads of Taylorsville	5790 S Redwood Rd	Taylorsville	UT	84123	08/06/04	40,057
2121	Draper Retail Center	268 E 12300 S	Draper	UT	84020	04/29/06	35,000
2213	Freestanding (Former Albertsons)	852 N Main St	Tooele	UT	84074	05/20/11	15,000
2528	Former Dan's Market	2330 E. 3000 South (Temp)	Salt Lake City	UT	84109	06/27/19	23,445
2329	Cotton Mill Shopping Center	720 W. Telegraph	Washington	UT	84780	07/26/12	23,500

**Exhibit 1(a)(1)****Store List**

Store No.	Store	Address	City	State	Zip Code	Open Date	Square Ft
2505	New River Valley Center	145 Shoppers Way	Christiansburg	VA	24073	06/21/18	20,525
2255	Rio Hill SC	1774 Rio Hill Center	Charlottesville	VA	22901	04/12/12	21,080
2309	River Ridge Mall	3405 Candlers Mountain Rd	Lynchburg	VA	24502	11/09/12	14,174
2454	Village of Martinsville	240 Commonwealth Blvd W	Martinsville	VA	24112	10/02/15	14,957
2506	Dominion Square	705 Dominion Square S/C	Culpeper	VA	22701	10/05/17	12,000
2141	Westchester Commons	125 Perimeter Dr	Midlothian	VA	23113	02/27/09	35,194
2222	Merchant's Walk	7504 West Broad	Richmond	VA	23294	03/09/12	18,419
2185	Tower Shopping Center	2043 Colonial Ave	Roanoke	VA	24015	04/15/11	22,832
1094	DW Center	14346 Warwick Blvd Ste 480	Newport News	VA	23602	10/19/90	15,300
1270	Riverdale Plaza	1076 W Mercury Blvd	Hampton	VA	23666	05/12/99	14,000
2209	Newtown Shops on Main	5103 Main St.	Williamsburg	VA	23188	04/15/11	15,334
2507	Crossways Shopping Center	1593 Crossways Blvd	Chesapeake	VA	23320	10/05/17	19,867
2520	Hilltop Plaza	551 Hilltop Plaza	Virginia Beach	VA	23454	06/21/18	24,140
102	Seven Corners Center	6320 Seven Corners Ctr	Falls Church	VA	22044	10/10/60	13,824
820	Warrenton Center	251 W Lee Hwy Ste 659	Warrenton	VA	20186	11/01/91	12,000
1875	Fairfax Towne Center	12124 Fairfax Towne Center	Fairfax	VA	22033	04/27/10	23,000
2158	Prince William Square	14350 Smoke Town Rd	Woodbridge	VA	22192	02/06/09	23,890
2159	Cosner's Corner	9685 Jefferson Davis Hwy	Fredericksburg	VA	22407	02/06/09	25,331
2550	Sugarland Crossing	47100 Community Plaza	Sterling	VA	20164	08/06/21	35,000
511	Millwood Pike	1092 Millwood Pike	Winchester	VA	22602	06/01/75	13,440
526	Commerce Square	45 Hinesburg Rd	South Burlington	VT	05403	12/07/91	19,560
289	Green Mountain S/C	308 Us Route 7 S	Rutland Town	VT	05701	08/04/92	16,800
2340	Central Vermont Shopping Cente	1400 Us Route 302, Suite 10	Barre	VT	05641	02/03/13	12,000
1725	Sunset Square	1125 E Sunset Dr Ste 125	Bellingham	WA	98226	09/05/03	28,000
794	High Point S/C	1029 Bethel Ave	Port Orchard	WA	98366	09/01/94	12,648
2007	Silverdale Plaza	2886 Nw Bucklin Hill Rd	Silverdale	WA	98383	07/16/01	29,903
2577	Columbia Center	1321 N Columbia Center Blvd Suite 456	Kennewick	WA	99336	07/07/23	29,378
810	Gateway Square	470 Bridge St	Clarkston	WA	99403	01/12/93	17,089
1867	Twin City S/C	700 Ocean Beach Hwy Ste 100	Longview	WA	98632	05/05/09	19,457
2199	Mount Vernon Plaza	510 East College Way	Mount Vernon	WA	98273	05/20/11	24,450
802	Port Angeles Plaza	150 Port Angeles Plz	Port Angeles	WA	98362	10/26/70	14,300
1687	North Wilber Avenue	481 N Wilbur Ave	Walla Walla	WA	99362	06/01/88	15,000
2443	Town Center	1020 Stratford Road	Moses Lake	WA	98837	10/03/14	16,600
2038	Target Place Plaza	2725 Harrison Ave Nw Ste 500	Olympia	WA	98502	11/21/03	38,187
2102	Orchards Market Center	11505 Ne Fourth Plain Blvd Ste 86	Vancouver	WA	98662	05/13/05	35,546
2394	Totem Pole	7907 Ne Highway 99	Vancouver	WA	98665	02/02/14	16,998
354	Kent Hill Plaza	25810 104Th Ave Se	Kent	WA	98030	05/01/84	18,067
789	Cascade Plaza	7601 Evergreen Way	Everett	WA	98203	03/01/78	19,284
793	Northeast Sunset Blvd.	2823 Ne Sunset Blvd	Renton	WA	98056	07/01/81	15,804
805	Aurora Ave North	15236 Aurora Ave N	Shoreline	WA	98133	06/29/77	22,880
1711	Nw 57Th Street	2217 Nw 57Th St	Seattle	WA	98107	06/01/85	14,000
1944	Pavilions Centre	31523 Pacific Hwy S	Federal Way	WA	98003	09/16/99	43,506
1950	Southcenter Parkway	17501 Southcenter Pkwy	Tukwila	WA	98188	05/26/00	43,056
2044	Meridian Town Center	13410 Meridian East Ste A	Puyallup	WA	98373	08/06/04	35,023
2067	Cross Roads S/C	15600 Ne 8Th Street Ste H1	Bellevue	WA	98008	08/06/04	35,090
2081	Lynnwood Center	5824 196Th Street Sw	Lynnwood	WA	98036	09/17/04	42,538
2093	Boulevard Centre	4104 Tacoma Mall Blvd	Tacoma	WA	98409	09/17/04	42,584
2173	Gateway Shopping Center	3704 172Nd St Ne Ste F	Arlington	WA	98223	11/05/10	22,864
784	Five Mile S/C	1840 W Francis Ave	Spokane	WA	99205	12/01/79	28,000
1701	East 29Th Avenue	2801 E 29Th Ave	Spokane	WA	99223	12/18/90	21,647
1872	Market Pointe I	15110 E. Indiana Ave	Spokane Valley	WA	99216	02/05/10	23,452
1700	Valley Mall Parkway	300 Valley Mall Pkwy	East Wenatchee	WA	98802	02/01/83	12,000
783	Tieton Village S/C	3702 Tieton Dr	Yakima	WA	98902	06/23/69	22,500
2149	Fox River Valley SC	720 N Casaloma Drive	Appleton	WI	54913	08/15/08	24,962
1866	Oak Pointe Plaza	4045 Commonwealth Ave	Eau Claire	WI	54701	03/05/09	23,028
2187	Forest Plaza	806 West Johnson Street	Fond Du Lac	WI	54935	02/04/11	17,570
2099	Bayside Market Place	2777 S. Oneida Street	Green Bay	WI	54304	03/25/05	37,777
2510	Marketplace at Janesville	2700 N. Pontiac Dr Ste 150	Janesville	WI	53545	03/29/18	18,774
2478	Crossing Meadows Plaza	1220 Crossing Meadows	Onalaska	WI	54650	10/13/16	17,885
319	East Town Plaza	2021 Zeier Rd	Madison	WI	53704	10/01/99	20,000
2086	Westland Plaza	6741 Odana Road	Madison	WI	53719	10/29/04	35,000
2236	Market Place SC	121 Commerce Street, Suite 1	Wisconsin Dells	WI	53965	11/10/11	15,000
324	Silver Nail S/C	2020 Silvernail Rd	Pewaukee	WI	53072	11/13/91	10,462
862	Packard Plaza	5656 S Packard Ave	Cudahy	WI	53110	01/29/93	14,310
2046	Greenfield Fashion Center	4950 South 74Th St	Greenfield	WI	53220	02/06/04	37,420
2079	Brookfield Fashion Center	16800 W Bluemound Road	Brookfield	WI	53005	08/06/04	31,901
2347	North Pointe Centre	N78 W14531 Appleton Ave	Menomonee Falls	WI	53051	05/17/13	18,166
728	Rivers Edge Mall	401 Bernard St	Watertown	WI	53094	02/01/92	11,300
2215	Crossroads Commons	1150 Meridian Drive	Plover	WI	54467	03/09/12	15,000
2322	Geneva Commons	600 N. Edwards Blvd	Lake Geneva	WI	53147	11/08/13	15,000
2327	Heritage Village	1645 North Spring St.	Beaver Dam	WI	53916	02/03/13	14,900
2487	Marshfield Center	1919 N Central Avenue	Marshfield	WI	54449	09/29/16	12,325

**Exhibit 1(a)(1)****Store List**

Store No.	Store	Address	City	State	Zip Code	Open Date	Square Ft
2517	Pine Tree Mall	2402 Roosevelt Road	Marinette	WI	54143	08/02/18	15,166
2348	Koeller Plaza	1226 Koeller St	Oshkosh	WI	54902	04/12/13	18,000
2468	Regency Mall	2629 S. Green Bay Road	Racine	WI	53406	09/01/16	23,371
2280	Deer Trace Shopping Center	4079 Highway 28	Sheboygan Falls	WI	53085	07/26/12	20,388
1585	Rib Mountain Drive	3300 Rib Mountain Dr	Wausau	WI	54401	07/18/03	23,000
569	Fletcher Square	9 Fletcher Sq	Dunbar	WV	25064	10/07/95	17,211
2450	Raleigh Mall	4293 Robert C. Byrd Drive	Beckley	WV	25801	03/10/16	21,000
363	Memorial Bridge Plaza	2311 Ohio Ave Unit C	Parkersburg	WV	26101	06/08/96	14,000
2223	Frontier Mall	1400 Del Range Blvd	Cheyenne	WY	82009	09/02/11	14,458
2366	White Mountain Mall	2441 Foothill Blvd, Suite 5	Rock Springs	WY	82901	05/17/13	15,716
<b>802</b>	<b>Total Stores</b>						

**Exhibit 1(a)(2)**

**Distribution Centers**

**Exhibit 1(a)(2)**  
**Distribution Center**

<b>Distribution Center</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>	<b>Open Date</b>	<b>Square Ft</b>
Visalia DC	2500 N Plaza Dr	Visalia	CA	93291	10/19/2006	635,281
Visalia DC #2	7530 W. Sunnyview Ave	Visalia	CA	93291	6/1/2021	104,870
Opelika DC	3101 Anderson Rd	Opelika	AL	36801	6/7/2021	702,623
West Jefferson	1020 Enterprise Pkwy	West Jefferson	OH	43162	2/1/2021	832,600
Hudson	5555 Darrow Road	Hudson	OH	44236	9/20/2023	1,453,419

**Exhibit 2(b)(iv)**

**Form of Asset Designation Notice**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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In re:	)	Chapter 11
	)	
JOANN INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 25-[_____] (____)
	)	
Debtors.	)	(Jointly Administered)
	)	

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**NOTICE OF DESIGNATION OF DESIGNATED ASSET**

**PLEASE TAKE NOTICE** that, Gordon Brothers Retail Partners, LLC (“Agent”),<sup>2</sup> and JOANN INC. and its debtors affiliates (collectively, the “Debtors”), are parties to that certain Agency Agreement dated as January 15, 2025 (the “Agency Agreement”), pursuant to which Agent agreed to act as the Debtors’ Agent as set forth in the Agency Agreement.

**PLEASE TAKE FURTHER NOTICE** that, on February [●], 2025, the Bankruptcy Court entered an order (the “Approval Order”) [Docket No. ●], approving the Agency Agreement, including with respect to Agent’s designation rights thereunder.

**PLEASE TAKE FURTHER NOTICE** that, on February [●], 2025, the Closing under the Agency Agreement occurred.

**PLEASE TAKE FURTHER NOTICE** that, in accordance with Section 15 of the Agency Agreement, Agent desires to (a) designate the assets identified in Exhibit A hereto and incorporated herein (collectively, the “Designated Assets”) as a “Designated Asset”, and (b) designate [●] as the Designee with respect to the sale, license, transfer, or other conveyance of such Designated Assets.

**DESIGNATION OF DESIGNATED ASSETS**

1. In accordance with Section 15 of the Agency Agreement, Agent hereby (a) designates the Designated Assets as a “Designated Asset”, and (b) designates [●] as the Designee with respect to the sale, license, transfer, or other conveyance of such Designated Assets, effective as of February [●], 2025.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: JOANN Inc. (5540); Needle Holdings LLC (3814); Jo-Ann Stores, LLC (0629); Creative Tech Solutions LLC (6734); Creativebug, LLC (3208); WeaveUp, Inc. (5633); JAS Aviation, LLC (9570); joann.com, LLC (1594); JOANN Ditto Holdings Inc. (9652); Dittopatterns LLC (0452); JOANN Holdings 1, LLC (9030); JOANN Holdings 2, LLC (6408); and Jo-Ann Stores Support Center, Inc. (5027). The Debtors’ mailing address is 5555 Darrow Road, Hudson, Ohio 44236.

<sup>2</sup> All capitalized undefined terms used in this Notice shall have the same meaning as in the Agency Agreement.

IN WITNESS WHEREOF, this Notice of Designation has been signed by as of the date hereof.

Dated: February [●], 2025  
New York, New York

Respectfully submitted,

**KATTEN MUCHIN ROSENMAN LLP**

By: /s/

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*Attorneys for Gordon Brothers Retail Partners, LLC*

**EXHIBIT A**

**DESIGNATED ASSETS**

**Exhibit 3.1(b)**

**Wind-Down Budget**

**Jo-Ann Stores**  
**Exhibit 3.1(b)**  
**Wind-Down Budget**

Debtor/UCC Professional Fees Escrow Funding	\$ 24,707,111
ABL/FILO/TL Professional Fees	\$ 3,111,000
Stub Rent	\$ 9,010,687
503(b)(9) Claims	\$ 30,000,000
U.S. Trustee Fee	\$ 500,000
<b>Total</b>	<b>\$ 67,328,798</b>

**Exhibit 3.1(c)**

**Central Services Budget**

**Jo Ann Stores****Exhibit 3.1(c)****Central Service Budget**

	2/22/25	3/1/25	3/8/25	3/15/25	3/22/25	3/29/25	4/5/25	4/12/25	4/19/25	4/26/25	5/3/25	5/10/25	5/17/25	5/24/25	5/31/25	Total
Corporate Labor	-	1.61	-	1.61	-	1.61	-	0.12	-	0.12	-	0.12	-	0.12	-	5.29
Corporate Opex	0.91	0.74	0.74	0.74	0.74	0.74	0.58	0.58	0.58	0.58	0.38	0.38	0.38	0.38	0.38	8.81
Corporate Non-Opex	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Operating Expenses - Corporate</b>	<b>0.91</b>	<b>2.35</b>	<b>0.74</b>	<b>2.35</b>	<b>0.74</b>	<b>2.35</b>	<b>0.58</b>	<b>0.70</b>	<b>0.58</b>	<b>0.70</b>	<b>0.38</b>	<b>0.49</b>	<b>0.38</b>	<b>0.49</b>	<b>0.38</b>	<b>14.10</b>

Corporate Labor includes:

Store Operations

Field Leadership

Finance

Merchandising

Inventory Management

Supply Chain

Legal

IT

Marketing

CEO Group

Asset Protection &amp; Security

Human Resources

Product Development &amp; Sourcing

**Exhibit 4.1(c)**

**Per Store Occupancy Expenses**

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy											
		Rent	CAM	Tech	Insurance	Tax + Licenses	Facilities Service	Waste	Housekeeping	R+M	Phone	Utilities	Total
168	Creekside Plaza	539	0	15	32	0	3	5	17	83	12	69	776
2545	University Center	1,767	264	17	138	65	2	34	2	21	36	141	2,488
2114	Gavora Mall	1,146	1	15	57	3	5	21	37	126	29	305	1,745
557	Soldotna Plaza	450	0	15	13	0	2	19	11	20	27	63	620
1096	Nugget Mall	418	181	15	86	5	2	27	1	49	19	42	844
2169	Riverchase Promenade	818	226	15	21	23	26	7	22	52	21	69	1,301
2010	Cox Creek Plaza	382	10	15	8	6	2	6	2	24	13	53	521
2184	Huntsville Plaza	451	108	15	19	15	25	18	13	71	18	58	810
2376	Mobile Festival Centre	356	118	15	17	16	1	8	17	74	20	115	757
2177	Eastchase Market SC	508	146	15	10	17	4	9	17	76	31	168	1,002
2497	Freestanding	166	39	15	6	8	19	19	8	23	19	69	392
1894	Spring Creek Centre	543	133	15	18	14	2	8	18	38	16	61	864
2453	Scottsdale Center	470	128	15	41	18	6	16	3	40	18	60	815
2498	Fort Smith Marketplace	358	73	15	9	12	12	18	12	37	16	52	614
2483	University Plaza	385	0	15	24	9	2	10	10	56	17	27	555
2297	Lakewood Village	463	184	15	11	25	2	9	16	77	22	53	878
2349	Shackleford Crossing	299	87	15	10	24	7	9	1	20	15	37	525
1831	South Riordan Ranch Road	403	168	15	12	15	7	19	3	45	17	73	779
2186	Riverview Mall	281	0	15	10	7	3	14	12	90	16	94	542
1305	Buckhorn Plaza	259	0	15	11	7	3	0	1	24	12	35	368
1404	Santa Fe Square	372	30	15	14	9	2	0	4	57	10	77	588
1913	North Valley S/C	1,777	396	17	55	50	1	25	7	158	17	201	2,703
1917	Ahwatuckee Foothills Towne Center	1,139	377	15	117	59	0	25	18	133	21	190	2,096
1965	Desert Ridge Market Place	2,121	908	18	47	98	10	15	0	135	12	319	3,682
2075	Santan Village Marketplace	1,211	262	15	45	36	4	22	10	78	22	193	1,898
2132	Alameda Crossing	814	319	15	73	45	17	8	6	94	13	140	1,545
2137	The Riverview at Dobson	1,199	377	15	41	41	1	7	9	32	13	104	1,840
2210	Tri Valley Plaza	296	85	15	9	9	7	9	2	22	13	78	544
2281	Queen Creek Marketplace	839	0	16	18	24	6	15	5	38	15	95	1,070
2522	Arcadia Fiesta SC	560	278	15	30	42	3	15	1	17	10	44	1,015
1859	Village At The Boulder	764	191	15	17	19	14	19	6	86	13	149	1,293
2042	East Broadway Blvd	1,175	266	15	49	47	3	9	4	53	14	287	1,922
2302	Oracle Wetmore	748	0	15	17	21	3	11	2	64	19	120	1,019
2330	Sahuarita Plaza	648	95	15	8	9	2	16	2	29	15	63	901
1014	Ming Retail Center	617	240	15	34	16	10	88	10	239	18	163	1,450
2429	Ridgecrest Town Center	273	195	15	11	10	10	28	-1	105	15	140	802
920	Skypark Plaza	606	293	15	17	4	18	34	3	67	20	284	1,361
2084	River Park Plaza	1,469	580	15	47	20	24	23	28	58	31	68	2,362
2428	Clovis Crossing Shopping Center	729	153	15	37	13	15	19	-5	32	8	153	1,168
1152	Los Coyotes Centers	652	179	15	29	6	8	26	2	68	8	57	1,051

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy											
		Rent	CAM	Tech	Insurance	Tax + Licenses	Facilities Service	Waste	Housekeeping	R+M	Phone	Utilities	Total
1288	La Verne Plaza	437	285	15	24	7	2	16	1	55	9	68	920
1447	Towne House Plaza	1,123	216	15	34	7	15	66	5	78	9	146	1,713
1798	Costco Plaza	806	599	15	22	9	2	52	10	82	14	151	1,761
1803	Foothill Blvd.	612	56	15	11	5	35	24	7	84	10	74	934
1873	Former Warehouse Music	834	428	15	38	8	1	18	4	40	43	134	1,562
1919	Del Amo Fashion Center	1,796	569	17	72	116	1	21	40	58	40	411	3,141
1954	Porter Ranch Town Center	2,204	551	16	49	27	-3	61	11	151	13	218	3,298
2069	Destination Eight	1,141	278	15	22	12	87	33	6	134	15	370	2,112
2119	Buena Park Promenade	1,571	587	15	36	13	14	26	29	428	10	325	3,053
2126	Von Karmen Plaza	1,436	632	15	56	10	13	9	40	111	22	306	2,651
2374	Pride Center	1,104	239	15	24	20	11	82	0	36	13	162	1,706
2389	Freestanding (former Albertson's)	2,711	733	15	70	14	35	36	28	144	17	300	4,103
2406	La Cienega Square	1,067	296	15	32	33	9	0	1	83	17	114	1,667
2442	Fullerton Crossroads	823	334	15	19	19	24	31	4	94	16	147	1,527
2449	Covina Town Square	795	248	15	43	14	9	46	2	74	21	171	1,436
2452	Centre Point Village	862	429	15	83	14	12	32	0	85	33	202	1,767
2523	Orange Park Plaza	696	214	15	18	29	2	31	4	61	22	109	1,200
2526	Foothill Ranch Towne Center South	810	410	15	15	25	21	17	1	54	24	133	1,526
2546	Riverside Woodman Plaza	3,182	795	17	68	81	3	87	10	178	24	412	4,855
2568	Former Ralph's Market	1,226	406	14	25	3	5	32	5	39	9	182	1,948
2583	Westridge Plaza	1,408	447	15	26	55	10	37	2	41	25	281	2,347
1782	Standiford Avenue	644	25	15	74	13	35	76	-1	55	7	115	1,059
2420	Monte Vista Crossing	521	127	15	14	10	9	28	1	33	14	66	839
812	Harris Street	653	22	16	27	6	25	46	0	44	10	82	932
2202	Sonora Crossroads	547	139	15	31	24	6	44	2	68	16	124	1,017
2441	Grocery Outlet SC	344	91	15	10	16	14	52	0	23	18	120	703
1223	Conejo Valley Plaza	1,072	290	15	17	10	8	0	30	102	23	188	1,754
1809	Shopping At The Rose	659	281	15	17	13	2	0	1	41	16	78	1,122
1818	Santa Susana Plaza	809	313	15	18	10	6	31	0	178	8	145	1,532
2353	Freestanding	863	202	15	19	19	11	20	7	122	15	152	1,445
1440	Country Side Center	131	321	15	14	8	2	0	11	86	13	138	738
1920	Commons At Temecula	1,376	374	15	36	17	9	29	8	70	14	167	2,115
2096	Orange Tree Marketplace	1,171	662	15	67	19	6	56	9	204	21	340	2,570
2142	Monterey Marketplace II	1,019	347	17	21	10	8	43	25	92	20	248	1,851
2270	High Desert Gateway	809	284	15	55	8	11	45	5	58	12	151	1,452
2422	Riverside Plaza	525	384	15	16	16	4	36	7	83	21	74	1,182
2527	Village West Shopping Center	500	357	15	50	25	13	39	1	43	13	171	1,227
2529	Chino Town Square	620	339	15	14	41	3	22	1	64	12	171	1,301
2590	Town Center Square	720	211	0	0	2	28	13	5	55	4	100	1,138
1568	Arden Square	896	314	15	19	13	33	0	1	23	10	111	1,435

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy											
		Rent	CAM	Tech	Insurance	Tax + Licenses	Facilities Service	Waste	Housekeeping	R+M	Phone	Utilities	Total
1771	Westgate S/C	355	119	15	29	7	3	24	1	41	10	87	690
2033	Elk Grove Marketplace	1,456	480	16	32	10	6	31	6	48	21	186	2,292
2082	Fairway Commons	1,239	587	17	36	9	37	64	25	75	23	153	2,266
2203	Folsom Square	669	110	15	18	7	5	42	3	42	17	72	1,002
2542	Sunrise Village Shopping Center	1,161	511	15	46	71	6	32	2	33	15	113	2,006
2444	Westridge Center	657	142	15	33	22	9	91	1	91	14	100	1,176
1011	Fletcher Hills Town & Country	1,493	422	15	72	9	-11	30	9	65	17	167	2,289
1464	Camino Town & Country S/C	547	244	15	30	9	5	41	2	48	11	123	1,075
1843	Poway Center	1,114	168	15	20	8	7	28	4	82	9	134	1,589
1845	Point Loma Plaza	748	266	15	20	13	21	38	6	65	11	138	1,340
1886	Bay Plaza S/C	437	0	15	34	5	-1	18	1	21	11	105	645
2559	Grand Plaza	1,892	632	15	43	78	2	35	0	54	10	328	3,088
112	Tamal Vista Blvd.	1,800	168	15	29	11	-21	29	1	43	10	119	2,203
730	South El Camino Real	999	385	15	14	15	14	0	4	83	16	85	1,629
871	Peninsula Boardwalk	983	188	15	14	13	4	30	3	108	9	176	1,544
2133	Park & Shop	3,016	651	15	40	28	8	40	25	46	13	-117	3,765
2150	El Cerrito Plaza	1,903	972	17	50	17	27	9	30	36	14	260	3,334
2189	Amador Plaza Rd	1,118	326	15	58	56	34	213	2	63	16	208	2,109
2271	Greenhouse Marketplace	1,269	755	15	37	15	6	79	5	43	16	136	2,377
2533	Westlake Shopping Center	1,124	583	15	63	83	6	0	0	243	23	165	2,304
605	Portal Plaza	1,153	347	15	26	15	5	26	2	33	14	176	1,812
1787	Tenant Station S/C	461	130	15	13	16	6	46	1	53	10	112	863
1878	Safeway SC	1,156	259	16	43	24	16	35	20	58	22	194	1,844
2200	Freestanding (Former Circuit City)	626	102	15	18	19	40	4	1	37	20	109	992
154	Industrial Drive	1,033	208	16	25	9	4	32	2	21	15	124	1,489
1763	Expressway Mall	741	186	15	18	10	5	46	1	42	13	108	1,186
1877	Stadium Center	621	324	15	43	13	4	17	1	80	13	176	1,308
2474	Park West Place	845	225	15	28	18	26	27	1	32	16	215	1,446
850	Vacaville Commons	505	236	15	28	5	4	55	1	68	12	121	1,049
2473	Sequoia Plaza	600	151	15	25	22	33	17	0	45	15	153	1,076
2462	Raley's Center	514	217	15	50	12	4	41	1	48	14	171	1,087
1674	Arapahoe Village S/C	693	591	15	13	4	1	74	1	63	10	51	1,515
2062	First & Main Town Center	1,772	573	16	84	16	2	10	37	39	10	143	2,703
1095	Southwest Commons	908	429	15	5	10	1	8	2	23	23	55	1,479
1672	Aurora City Square	446	54	15	12	3	2	10	2	35	12	34	625
1858	Marketplace At Northglenn	820	326	15	21	7	3	7	4	42	23	81	1,349
2055	Yosemite Park Mall	1,372	836	16	79	16	6	8	30	51	16	119	2,549
2071	Saddle Rock Village	945	426	15	13	12	23	6	2	43	16	122	1,623
2179	University Hills	663	543	15	22	11	2	8	3	25	15	128	1,435
2234	Freestanding, Former Circuit City	546	289	15	71	6	4	8	4	33	14	57	1,048

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy												
		Rent	CAM	Tech	Insurance	Tax + Licenses	Facilities Service	Waste	Housekeeping	R+M	Phone	Utilities	Total	
2390	Westminster City Center	757	329	15	39	4	5	8	-1	61	14	63	1,295	
2124	The Marketplace at Centerra	1,431	777	17	58	25	5	13	32	70	11	95	2,535	
2228	Thunderbird Plaza	762	171	15	43	6	-2	8	3	29	14	49	1,096	
2238	Mesa Mall	393	88	15	12	4	9	31	1	30	13	45	641	
2013	Pueblo Mall	379	0	15	45	9	1	13	3	39	11	63	578	
2182	Shop Rite Plaza	642	256	16	12	20	6	26	11	20	15	55	1,078	
701	Clinton Commons S/C	326	219	15	7	5	2	18	9	60	9	36	705	
1924	Plaza At Buckland Hills	1,568	515	16	98	70	12	62	39	241	21	304	2,946	
1942	Berlin Turnpike	1,214	576	19	67	16	5	39	26	97	25	303	2,387	
2266	Freshwater Plaza	398	192	15	22	11	2	35	14	75	14	65	842	
2411	Shop Rite Plaza	631	363	15	16	24	3	28	16	41	14	103	1,254	
976	Hamden Mart S/C	595	303	15	13	45	3	40	8	101	15	115	1,254	
2123	Milford Crossing	1,811	756	17	68	27	14	51	34	62	18	233	3,092	
2367	Torrington Plaza	279	197	15	8	28	5	9	16	21	16	57	651	
1607	Ames S/C	406	165	15	62	13	6	35	4	63	10	56	835	
630	Centre At Dover	146	113	15	27	2	1	0	2	27	9	51	393	
2063	Christiana Town Center	2,124	137	15	41	9	6	23	13	46	13	129	2,556	
173	Merchants Crossing S/C	374	157	15	13	21	6	39	-1	49	13	52	737	
1922	South Plaza	1,666	0	15	23	131	25	27	37	227	20	242	2,414	
2537	Coconut Pointe	578	254	15	10	75	11	24	1	46	22	118	1,156	
816	Mariner Plaza	323	9	15	9	15	4	16	2	55	13	88	550	
2580	Shoppes at Paradise Key	964	436	15	14	79	5	40	9	95	14	164	1,835	
1595	Volusia Plaza	1,031	59	15	27	47	7	24	16	35	12	119	1,392	
2391	The Esplanade At Butler Plaza	862	425	15	56	76	9	13	5	58	18	188	1,725	
1925	Argyle S/C	1,329	184	15	22	84	27	19	12	189	17	255	2,153	
2039	St Johns Town Center	1,092	585	17	43	73	8	24	14	198	20	183	2,257	
2335	Village of Amelia	463	180	15	10	33	8	16	2	116	17	50	909	
312	North Lakeland Plaza	520	0	15	33	26	-1	16	5	144	10	78	845	
902	Shops At Avenue O	368	2	16	30	20	2	14	1	46	10	59	567	
135	Flagler Park Plaza	635	178	15	9	39	0	11	4	56	15	87	1,047	
583	JOANN Fabrics Plaza	647	214	15	12	47	40	29	4	177	11	127	1,322	
968	The Greenery	1,646	557	15	17	105	3	0	4	286	18	97	2,747	
1023	Pompano Marketplace	880	274	15	10	62	3	36	6	39	16	93	1,433	
1044	Hollywood Blvd	642	205	15	12	49	7	14	5	52	10	107	1,119	
1452	Riverwalk Shopping Plaza	420	77	15	39	27	16	0	4	53	21	67	739	
1596	Margate Shopping Center	762	419	17	11	56	15	43	1	146	16	143	1,629	
1862	Shoppes at Isla Verde	1,274	419	15	32	117	0	34	1	59	15	121	2,088	
2144	11251 Pines Blvd.	1,378	577	15	20	110	25	55	4	115	18	142	2,459	
2167	The Fountains	826	509	15	25	64	7	45	5	36	15	97	1,645	
2435	Northlake Commons	521	363	16	13	60	1	9	2	43	20	86	1,132	

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy											
		Rent	CAM	Tech	Insurance	Tax + Licenses	Facilities Service	Waste	Housekeeping	R+M	Phone	Utilities	Total
2077	The Shoppes at Naples Center	872	340	15	33	58	-3	26	3	114	16	107	1,581
998	The Landings	619	247	15	11	42	2	28	7	97	13	93	1,174
1107	Venice Village	313	110	15	8	21	2	22	1	48	9	43	592
2282	Shoppes at University Center	671	368	15	20	50	3	38	12	50	17	67	1,312
1244	Shady Oaks Shopping Center	715	333	15	25	63	4	27	7	107	16	179	1,493
772	Village Market Place	466	111	15	14	21	8	32	3	37	10	134	850
1598	Village Crossroads	699	354	17	42	46	24	34	3	65	18	111	1,413
1908	Colonial Landing	712	28	15	67	35	5	41	28	242	11	182	1,367
1915	Brantley Square	929	56	15	58	61	9	16	2	132	19	315	1,613
2032	Waterford Lakes Town Center	1,249	457	15	43	71	5	12	30	172	19	197	2,269
2058	Target At Kissimmee West	1,034	373	15	20	82	15	15	2	32	17	193	1,799
2131	Town Center Plaza	768	0	15	68	60	6	14	2	55	20	150	1,159
2139	Orlando Market	1,607	936	18	48	108	9	61	4	115	15	219	3,139
2118	Shoppes of West Melbourne	1,216	307	15	43	89	0	12	17	177	14	192	2,083
2298	23rd Street Plaza	554	200	15	18	71	17	22	1	42	14	105	1,061
2109	Tradewinds S/C	909	322	15	60	65	25	17	16	50	18	169	1,666
2164	Square One Shopping Center	663	350	15	19	49	5	14	7	79	17	151	1,369
1484	Bayshore Village	222	189	15	26	18	7	17	3	86	15	53	651
2279	Century Town Center	270	175	15	8	24	5	13	3	29	20	30	591
736	Capitol Plaza	433	124	15	38	32	3	15	1	82	12	94	849
333	Lakewood Plaza	365	92	15	28	22	2	15	2	21	9	42	613
1333	Home Depot Plaza	757	0	15	25	35	20	15	28	127	12	196	1,228
1861	Market Square at Tampa Palms	886	166	15	12	68	9	32	1	29	13	129	1,360
1958	Plaza At Citrus Park	1,571	587	17	70	111	36	59	11	229	15	123	2,831
1959	Lake Brandon Plaza S/C	1,415	554	18	53	147	23	21	54	144	19	136	2,582
2025	Tyrone Corners SC	1,614	0	16	62	73	9	8	9	131	17	154	2,092
2031	Curlew Crossing	1,635	708	17	25	106	-2	15	39	251	15	296	3,105
2534	Freestanding	645	208	15	15	29	7	16	1	43	15	131	1,126
1549	Douglas Corners S/C	520	182	15	11	36	1	11	3	31	10	87	908
1921	Pleasant Hill Square	474	0	15	12	33	2	20	4	85	14	162	823
1960	North Point Commons	1,542	285	15	74	42	13	11	2	255	21	128	2,387
2005	Presidential Commons	951	301	18	16	51	17	6	8	73	27	138	1,606
2016	Fayette Pavilion	720	147	15	15	37	12	13	2	82	14	208	1,265
2359	Conyers Plaza	1,000	255	15	13	46	1	11	5	38	17	98	1,498
2364	Newnan Pavilion	538	97	15	12	15	3	24	2	24	14	61	804
2412	Suburban Plaza	590	395	15	38	34	6	30	5	40	15	95	1,262
2414	Lakeland Plaza	407	143	15	11	15	1	14	1	34	15	39	696
2547	Freestanding	1,446	434	17	82	59	4	47	4	114	23	170	2,401
2143	Richmond Plaza	753	154	15	34	27	12	19	6	111	19	170	1,320
2247	Golden Isles Plaza	342	78	15	7	12	5	4	7	61	16	98	645

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy											
		Rent	CAM	Tech	Insurance	Tax + Licenses	Facilities Service	Waste	Housekeeping	R+M	Phone	Utilities	Total
1583	Columbus Park Crossing	829	174	15	15	37	1	5	11	40	12	126	1,265
2239	Lakeshore Marketplace	623	131	15	15	22	5	9	8	32	14	80	952
1891	Shoppes at River Crossing	554	0	15	11	14	90	10	4	40	20	93	852
2400	Tifton Mall	298	86	15	9	22	-5	15	1	20	17	74	552
1021	Savannah Centre	567	143	15	32	23	5	16	2	116	12	95	1,027
2490	Willow Lake Crossing	386	60	15	8	18	2	25	2	34	20	56	625
1650	Lincoln Center	321	142	16	9	0	2	13	1	24	12	62	601
2306	Lindale Mall	499	217	15	28	0	4	18	0	37	20	70	907
1645	Village S/C	686	7	15	18	1	0	13	0	42	14	65	862
2249	Metro North Shopping Center	565	286	15	32	0	4	9	2	31	16	33	995
2556	Valley Court Shopping Center	898	371	15	64	0	3	37	2	66	5	77	1,538
2540	Plaza 20	402	76	15	12	0	3	26	0	36	18	94	683
2509	Iowa City Marketplace	630	222	15	12	0	3	5	-2	53	31	52	1,021
2333	Muscatine Mall	199	0	15	7	0	7	12	0	39	13	46	337
2399	Willow Creek Crossing	538	-17	15	10	0	7	12	1	48	16	62	691
2416	Burlington Commons	404	141	15	60	0	2	6	0	25	16	66	735
2499	The Marketplace	539	297	15	13	0	9	2	1	51	14	50	991
2208	Crossroads Commons	521	220	15	12	0	4	10	2	21	14	36	856
796	Federal Way Plaza	464	19	15	13	0	2	13	1	26	8	29	591
1683	Karcher Mall	269	289	15	15	0	2	18	1	39	8	54	710
2162	Milwaukee Market Place	1,400	254	17	86	1	9	20	24	58	17	66	1,952
2326	Silver Lake Mall	184	0	15	24	3	15	48	1	34	13	26	363
2192	Grand Teton Plaza	674	0	15	46	0	-3	13	1	27	16	49	839
1692	American Plaza	331	54	15	30	0	5	15	1	33	10	29	523
2469	Palouse Mall	514	109	15	10	0	9	29	0	23	12	43	763
2183	Pocatello Square	399	-185	15	11	2	6	17	1	25	15	27	333
2552	Bloomington Commons	667	362	15	16	0	-2	20	1	27	14	104	1,225
2290	Champaign Town Center	556	236	15	13	0	2	17	1	130	14	74	1,058
138	Rivercrest Centre	545	348	15	47	2	1	13	1	49	7	40	1,069
140	Danada Square West S/C	366	210	15	8	0	1	9	10	88	11	41	759
957	Four Flaggs S/C	524	429	15	13	1	2	18	6	40	12	64	1,122
1579	Norridge Marketplace	572	364	15	11	2	2	13	4	28	16	59	1,086
1589	Countryside Plaza	942	670	15	36	3	19	11	3	88	14	90	1,891
2024	Naper West Plaza	1,220	283	15	39	0	3	11	22	118	14	115	1,840
2048	Bloomingdale Court	737	456	16	16	1	13	7	10	38	28	80	1,402
2057	Marketplace at Vernon Hills	995	358	17	55	0	2	11	29	82	14	222	1,784
2065	The Shoppes At Geneva Commons	1,503	630	15	76	0	3	13	26	49	16	89	2,419
2103	Lake View Plaza	1,249	915	16	13	2	12	16	24	120	15	125	2,508
2113	Town & Country SC	1,235	700	17	43	0	8	11	30	112	23	136	2,316
2117	Riverfront Plaza	3,481	1,645	17	57	4	9	8	32	104	18	156	5,530

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy											
		Rent	CAM	Tech	Insurance	Tax + Licenses	Facilities Service	Waste	Housekeeping	R+M	Phone	Utilities	Total
2176	Chestnut Court	673	253	15	29	1	2	9	6	56	12	79	1,136
2198	High Point Centre	274	258	15	10	0	4	36	3	59	0	64	723
2220	Joliet Commons	453	158	16	24	1	1	14	-1	22	14	60	761
2259	Shops At Fox River	386	164	15	9	0	21	3	3	32	14	54	701
2386	Joffco Square	602	0	15	14	4	4	20	1	195	33	79	967
2465	Freestanding	762	447	15	16	0	31	7	1	7	12	57	1,356
2455	Village Mall	213	104	15	8	0	2	10	1	25	16	66	459
2476	Freestanding Building	310	113	15	24	0	3	12	1	66	15	33	593
2587	Bradley Commons	591	199	15	48	0	6	33	1	52	14	72	1,032
503	Quincy Mall	460	0	15	10	0	2	12	1	40	10	49	598
521	University Plaza S/C	288	123	15	8	0	1	12	2	49	10	35	541
527	Eagle Center	264	77	15	9	0	3	9	3	45	10	58	492
2250	Sterling Lincoln Center	398	0	15	24	0	7	11	2	26	13	37	533
2324	Peru Mall	332	81	15	7	0	2	7	1	52	17	45	558
2418	Freeport Shopping Center	448	285	15	10	0	4	9	1	40	14	59	886
2438	Cross County Mall	156	67	15	9	0	4	20	12	71	22	65	440
1637	Metro S/C	540	315	16	18	0	6	9	3	27	10	41	984
2586	State Street Market	879	264	14	20	0	5	26	14	57	11	6	1,297
2246	Former Circuit City	816	202	15	23	0	3	8	2	52	15	56	1,191
2156	Commerce Plaza	805	233	16	40	1	20	10	3	35	21	85	1,269
607	Whitehall Plaza	697	219	15	35	3	3	30	23	60	13	120	1,218
2068	The Shoppes Of Schererville	1,048	319	16	36	13	12	10	35	55	17	215	1,773
2373	Merrillville Plaza	714	365	15	16	13	20	12	2	80	14	101	1,352
2503	Eastbrook Plaza	318	76	15	10	6	1	11	1	28	17	47	530
2532	Market Centre	471	221	15	11	10	4	5	1	56	15	80	889
2128	Shoe Carnival Towne Centre	944	243	15	25	26	9	17	28	61	14	162	1,545
2108	JOANN Plaza	1,148	292	15	43	13	4	18	32	40	20	122	1,747
1910	Castle Glen Plaza	1,060	269	17	40	10	14	12	30	61	15	122	1,649
1966	Avon Town Square	883	276	15	24	12	3	10	5	49	16	115	1,407
2030	Greenwood Pavilion	1,093	213	15	48	17	27	18	28	58	15	155	1,686
2229	Washington Plaza	618	0	15	30	10	9	6	3	40	17	76	824
2312	Greenbriar Shopping Center	481	192	15	14	11	5	6	3	99	15	75	915
1863	Kokomo Shopping Center	529	115	15	12	10	2	10	4	21	17	52	786
1149	Sagamore @ 26 Shopping Center	427	126	15	19	3	6	15	16	126	10	68	830
2569	Waterford North	743	321	15	15	18	-1	16	1	22	10	93	1,254
566	Lake Park S/C	223	96	15	6	7	2	14	2	100	10	57	531
525	Northwest Plaza	664	0	15	11	5	1	13	13	28	10	74	835
328	Five Points Mall	200	0	15	23	3	1	4	9	26	10	83	374
573	Wal-Mart Plaza	421	99	15	8	6	1	2	2	19	9	41	624
889	Pilgrim Place S/C	269	0	15	7	3	1	11	1	269	13	33	621

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy												
		Rent	CAM	Tech	Insurance	Tax + Licenses	Facilities Service	Waste	Housekeeping	R+M	Phone	Utilities	Total	
899	Vincennes Plaza	282	0	15	6	4	1	13	12	24	11	36	405	
995	Angola Plaza	87	40	15	5	2	1	10	1	21	15	31	227	
2439	Town Fair Center	228	75	15	8	9	16	12	1	24	14	37	439	
2515	Germantown Center	375	88	15	8	2	2	8	1	28	15	52	592	
665	Wilshire Plaza	694	187	15	34	9	1	12	3	71	12	58	1,096	
2424	Broadmoor Plaza	552	0	15	22	11	2	8	2	36	14	60	722	
2165	Honey Creek Commons	356	60	15	15	9	4	9	4	51	21	97	641	
1926	Overland Park S/C	1,422	377	15	27	1	83	13	2	153	16	220	2,328	
2070	West 63Rd Street	860	437	15	24	12	4	7	4	46	14	146	1,570	
2481	Park Plaza	290	199	15	10	1	1	0	2	39	17	45	618	
2344	West Loop Shopping Center	607	364	15	15	1	3	10	3	36	29	84	1,166	
1046	Central Mall	104	0	15	6	2	1	10	3	27	11	82	261	
2434	Crosswinds Commons	778	294	15	12	0	4	9	3	32	19	86	1,252	
2193	North Rock Road	855	20	15	55	1	-12	10	2	40	20	95	1,099	
2460	Westgate Market	678	0	16	19	1	10	26	1	22	16	69	857	
2261	Houston Lakes	738	238	15	57	33	13	21	0	80	15	88	1,297	
2489	Towne Centre	374	64	15	8	9	0	0	12	33	15	66	596	
2392	Ashland Towne Center	703	0	15	13	21	1	15	1	41	14	80	903	
2538	Crossroads SC	929	129	16	40	26	10	12	2	50	14	151	1,378	
2145	Shelbyville Road Plaza	1,409	407	17	62	29	2	9	26	34	13	138	2,145	
2343	Trademart Shopping Center	326	8	15	8	23	5	0	11	90	15	74	574	
2419	Barren River Plaza	311	39	15	8	21	9	6	2	28	23	54	514	
2233	Owensboro Towne Center	358	152	15	8	15	11	6	13	26	15	52	671	
2486	Power Center	327	69	15	7	39	4	9	2	54	14	65	604	
2269	Siegen Lane Marketplace	933	154	15	18	51	13	11	4	26	12	102	1,340	
2256	Ambassador Row	507	192	15	31	34	9	10	-8	103	15	109	1,017	
2363	Village at Northshore	334	255	15	22	50	8	13	13	64	13	64	851	
2508	Westside North Shopping Center	455	131	15	27	49	6	5	2	29	17	68	803	
2544	Wilshire Plaza	982	393	15	23	65	-6	19	3	90	19	96	1,698	
2504	Bayou Walk Shopping Center	762	173	15	14	70	4	21	2	52	15	83	1,209	
814	Christmas Tree Promenade	197	303	15	12	1	1	18	14	86	8	122	777	
107	Middleton Market Place	667	171	15	31	0	3	24	2	21	9	51	994	
403	Hanover Commons	570	138	15	32	2	1	28	10	171	10	48	1,025	
408	Worcester Road	916	171	15	11	1	68	24	17	54	10	115	1,402	
472	Westford Valley Mkt	537	8	15	8	0	2	21	2	39	11	62	704	
777	Middlesex Commons	1,043	399	15	16	0	2	26	13	38	112	64	1,727	
858	Treble Cove Plaza	262	181	15	8	0	2	17	3	61	9	59	616	
1610	Village Mall	584	200	15	14	1	1	34	0	26	9	98	981	
2161	Broadway Shopping Center	1,287	437	15	40	3	7	18	4	59	17	147	2,034	
2403	Walpole Mall	877	450	15	20	2	2	34	21	17	12	153	1,605	

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy											
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292	Dalton Ave Plaza	389	190	15	26	5	1	0	7	13	8	46	700
177	Dartmouth Town Ctr	306	183	15	9	1	1	18	9	378	9	49	978
477	Shaw'S Plaza	650	127	15	24	1	5	17	1	53	11	91	994
2129	North Attleboro Marketplace	1,204	384	15	20	1	20	33	28	100	14	112	1,932
2565	Ann & Hope Plaza	840	324	15	15	10	3	21	0	33	10	3	1,273
677	Holyoke Plaza	408	0	15	8	0	1	25	12	49	11	73	602
826	Big Y Plaza	521	146	15	13	1	1	25	10	49	7	75	863
1609	Hampshire Mall	612	0	15	9	1	3	7	2	18	7	159	833
418	Milford Plaza	407	163	15	16	1	6	20	8	132	9	112	890
1611	Old Shrewsbury Village	882	237	15	15	1	1	23	5	22	9	38	1,248
1879	Mall at Whitney Field	222	0	15	10	6	2	52	15	35	9	72	437
245	Annapolis Plaza	504	112	15	15	5	4	18	1	10	12	24	719
395	Westminster S/C	367	174	15	25	3	3	13	2	57	14	29	701
722	Garrison Forest Plaza	596	179	15	27	3	3	23	2	76	12	67	1,003
1906	Columbia Crossing	2,120	598	18	49	46	12	111	3	74	13	183	3,225
1912	Tollgate Plaza	1,689	223	19	27	38	4	21	33	75	12	208	2,350
2090	Perring Plaza	2,001	298	17	31	5	13	19	21	47	14	159	2,627
640	Lavala Plaza S/C	196	42	15	7	1	2	13	6	128	10	30	450
480	South End S/C	324	117	15	30	0	2	14	2	69	14	95	682
431	Patuxent Crossing	378	22	15	8	1	2	23	2	66	9	49	576
106	Diamond Square S/C	624	134	15	13	2	3	22	2	79	9	74	977
123	Beltway Plaza Mall	537	194	15	10	20	5	0	2	10	8	82	885
1951	Frederick County S/C	1,659	486	17	68	2	15	29	15	55	12	142	2,500
2148	Brandywine Crossing	968	472	15	62	2	1	7	5	36	13	81	1,661
2381	Fox Run Shopping Center	388	96	15	8	1	4	22	3	40	14	43	633
2382	Westfield Wheaton Plaza	1,174	65	15	15	1	1	19	2	18	12	75	1,397
873	Stillwater Avenue	1,022	183	15	31	16	21	45	15	61	10	93	1,511
875	Auburn Plaza	132	174	15	9	5	1	21	13	36	8	81	495
410	Jfk Mall	322	82	15	26	12	1	22	10	29	12	66	597
329	Topsham Fair Mall	633	257	16	37	11	2	21	12	64	12	153	1,218
429	Pine Tree S/C	944	139	15	44	11	1	33	15	33	12	113	1,359
176	Oak Valley Center	468	194	15	24	0	-7	0	1	17	10	78	797
2004	Valley View Center S/C	1,459	623	17	29	16	5	11	5	36	14	191	2,406
2377	Minges Creek Plaza	331	145	15	11	21	2	12	1	38	17	60	654
492	Majestic Square	242	82	15	9	-6	-10	13	2	45	8	46	446
306	Grosse Pointe Farms	533	270	15	10	-10	46	7	1	33	10	59	974
351	Twenty-Fourth Avenue	488	79	15	32	-3	4	14	3	24	8	85	748
539	New Towne Centre	1,203	400	15	32	7	22	6	4	79	11	204	1,983
690	Madison Place S/C	1,369	280	15	41	17	3	57	15	60	10	183	2,051
733	Bloomfield Village Sq	768	219	17	25	6	6	12	2	50	19	62	1,187

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**Occupancy Analysis**

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753	Lapeer S/C	263	59	15	25	-3	1	12	2	34	7	39	453
1927	Shelby Town Center	1,209	235	17	21	6	6	9	3	183	7	166	1,862
1933	West Oaks II	1,779	434	17	75	11	6	11	3	213	19	147	2,716
1940	Freestanding (Former Circuit City)	869	320	17	42	39	77	10	2	51	-10	146	1,563
1948	The Crossings At Taylor	1,051	524	15	22	10	4	8	5	79	15	203	1,935
1962	The Auburn Mile	1,316	470	17	34	21	15	8	3	240	12	197	2,334
2003	Brighton Mall	1,760	162	17	26	16	-1	13	5	118	20	132	2,271
2061	Hampton Plaza	1,481	261	18	21	2	4	11	2	45	14	153	2,011
2104	Independence Market Place	1,086	417	15	28	21	3	7	15	45	17	150	1,805
2277	White Lake Market Place	744	238	15	16	13	1	8	4	46	12	107	1,204
2405	Livonia Commons	730	183	16	20	9	1	5	1	38	16	77	1,095
2407	Waterside Market Place	690	362	15	15	6	9	10	2	60	16	78	1,262
1590	Courtland Center	744	238	15	19	16	5	8	3	54	14	111	1,228
2017	Genessee Commons S/C	1,390	298	15	61	10	2	26	5	39	17	141	2,004
2163	The Shoppes At Centerpoint	1,116	430	15	31	8	2	18	20	54	16	152	1,862
2274	Former Best Buy	613	180	15	17	-7	2	7	10	35	21	70	962
2378	Century Center	506	208	15	34	-8	2	14	0	28	17	70	886
305	Felch Street Plaza	433	99	15	28	-5	2	19	7	33	8	56	693
2122	Wisner Street Plaza	1,063	272	15	58	10	2	8	18	59	15	161	1,681
498	Toy'S R'Us Plaza	569	157	15	20	-8	8	19	8	108	9	83	987
2022	Frandor S/C	1,071	459	15	59	34	5	20	15	57	19	158	1,911
2332	Westland Shopping Center	504	133	15	13	17	3	6	4	72	14	90	869
2116	Lake Crossings	1,404	388	15	23	9	3	11	2	25	12	123	2,014
2555	Scottdale Plaza	520	66	15	32	47	2	22	2	32	40	117	894
279	Southland Plaza	280	4	15	24	1	1	9	2	25	10	39	410
294	Northwest Plaza	399	0	15	29	0	10	11	1	36	11	76	588
348	Bear Point Plaza	245	0	15	26	-4	7	19	1	56	7	40	412
414	East Bay Plaza	739	193	15	54	-9	25	9	13	16	15	55	1,124
1594	Bear Creek Plaza	768	172	15	12	-4	7	24	13	28	17	64	1,115
1869	Indian Hills Plaza	568	138	15	16	-7	3	9	15	28	14	84	884
2521	Ferris Commons	358	114	15	10	10	1	9	0	42	24	52	634
1901	Saginaw Square	964	323	15	83	-9	2	10	4	46	18	140	1,597
697	Irongate Mall	178	11	15	7	0	1	6	0	38	10	57	322
2477	Burning Tree Plaza	479	250	15	14	0	2	30	0	43	16	51	899
2191	Madison East Mall	371	287	15	15	0	3	13	1	67	16	96	883
473	Bonaventure Plaza	684	433	15	16	1	2	18	11	45	9	35	1,269
1876	Crossroads of Roseville	1,075	454	15	24	1	2	105	4	89	16	60	1,844
1902	Tamarack Village	1,718	1,261	17	33	0	2	32	38	22	16	180	3,320
1935	Arbor Lakes S/C	1,546	982	17	26	0	2	18	3	137	19	118	2,869
1941	Riverdale Village	1,793	0	15	43	0	8	27	66	32	26	117	2,127

**Exhibit 4.1(c)**  
**Occupancy Analysis**

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1952	Apple Valley Square	1,784	691	17	45	0	3	40	66	69	17	119	2,852
2026	Yorktown Mall	1,723	985	17	31	0	1	32	9	56	17	90	2,962
2263	Elk Park Center	600	45	15	49	0	1	19	2	21	11	45	809
2283	Dean Lakes	693	258	15	27	0	6	22	2	31	15	42	1,113
2596	Birch Run Station	157	37	0	0	0	0	3	0	5	0	25	227
863	Hutchinson Mall	302	29	15	8	0	1	10	1	37	17	32	452
1666	Paul Bunyan Mall	251	0	15	8	0	2	6	0	28	9	28	346
1864	Kandi Mall	109	0	15	7	0	2	19	2	27	10	61	251
1892	Westgate Mall	560	0	15	16	0	2	0	0	22	12	39	665
2166	Viking Plaza Mall	245	14	15	31	0	3	21	2	49	14	43	437
2404	Faribo West Mall	421	0	15	27	0	2	15	2	21	14	48	564
2573	Rochester Marketplace	701	540	15	34	0	2	51	2	23	15	114	1,496
518	Division Street Plaza	484	195	15	33	15	4	18	33	119	7	85	1,006
2289	Rockbridge Shopping Center	696	333	15	19	4	2	6	9	19	17	58	1,180
1577	Capital Mall	420	42	15	9	2	2	9	9	25	11	94	638
2273	Northpark Mall	520	0	15	18	3	8	0	1	93	16	80	754
1918	Bolger Square	1,269	683	15	151	11	11	30	9	66	19	177	2,440
2091	Platte Purchase Plaza	948	430	15	28	39	16	13	6	43	16	151	1,704
2257	Belton Marketplace	427	45	15	12	3	3	4	11	35	14	57	626
1649	Primrose Market Place	508	119	15	23	3	4	20	0	48	11	58	810
1495	Hillcrest Plaza	280	0	15	9	2	4	11	1	23	10	48	404
2153	Central Plaza	1,116	488	15	32	28	8	11	13	34	13	90	1,848
2178	Mid Rivers	1,008	213	15	32	6	91	15	30	95	26	145	1,676
2219	Former Circuit City	1,006	279	15	23	5	-2	8	0	64	23	30	1,451
2294	Twin City Plaza	489	85	15	9	4	3	11	2	37	15	51	722
2310	Deer Creek Shopping Center	590	325	15	23	14	1	14	4	38	37	76	1,137
2361	Phoenix Center	497	193	15	9	2	2	10	1	18	15	30	792
2268	The Junction	454	123	15	11	54	6	10	2	47	16	64	802
1874	Southaven Town Center	550	0	15	32	40	2	8	2	49	12	95	806
2225	Big Oaks Crossing	428	170	15	11	38	2	7	4	55	15	99	844
2315	Market Place	723	324	15	22	2	3	4	2	58	12	58	1,224
2585	Holiday Village Mall	39	0	0	0	1	0	2	0	0	0	0	42
791	Holiday Village	1,019	171	15	20	4	3	36	22	29	11	81	1,412
856	Butte Plaza Mall	188	0	15	43	1	1	0	1	15	10	33	305
1695	Gallatin Valley Mall	447	0	15	30	1	-9	27	3	53	9	79	653
1696	Shopko Plaza	258	87	15	9	1	1	4	2	82	12	51	520
1697	Brookstone Square	568	126	15	13	1	1	16	1	39	9	26	816
2284	Overlook Village	689	289	15	16	4	5	12	-9	70	17	62	1,171
2352	Blue Ridge Mall	574	3	15	10	8	4	11	8	20	16	38	706
2248	Carolina Pavilions	826	167	15	21	5	9	34	12	35	19	72	1,216

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy												Total
		Rent	CAM	Tech	Insurance	Tax + Licenses	Facilities Service	Waste	Housekeeping	R+M	Phone	Utilities		
2426	Monroe Mall	407	0	15	17	14	3	51	3	51	12	67		639
1078	Oakcreek Village S/C	468	144	15	17	6	6	17	4	60	11	68		817
1098	Cross Creek Plaza	407	120	15	20	5	6	20	5	63	14	100		775
2252	Berkley Mall	479	53	15	8	5	2	11	3	37	16	47		675
1511	The Shoppes On Market	538	122	15	19	4	6	12	2	32	14	50		814
2318	Morganton Heights	357	70	15	8	3	6	25	1	41	16	29		570
2480	Valley Crossing	185	42	15	5	2	2	7	0	31	14	31		334
2205	Mooresville Consumer Square	344	80	15	11	3	3	14	1	21	15	39		546
1074	Centrum At Crossroads	982	254	16	27	5	9	38	2	64	13	84		1,492
1478	The Falls Centre	619	166	15	57	5	0	22	0	76	12	66		1,037
2253	Sutters Creek Crossing	199	86	15	7	10	6	14	1	43	15	70		465
1471	University Centre	394	129	15	17	2	3	18	3	32	9	51		672
2562	Silas Creek Crossing	884	242	15	44	40	5	34	5	108	14	98		1,490
2243	Gateway Mall	216	0	15	11	0	12	15	0	42	13	46		371
1865	TJ Maxx Plaza	887	211	15	11	0	2	60	0	27	15	77		1,304
653	Columbia Junction Mall	399	170	15	6	0	2	10	3	9	15	40		669
172	Town & Country S/C	359	0	15	7	0	1	15	2	15	13	35		462
2371	East Park Plaza	1,006	69	15	46	1	1	8	7	82	14	59		1,309
2175	Baker Square	598	258	16	51	31	3	7	7	55	14	99		1,138
2456	Wolf Creek Plaza	560	415	15	17	-4	5	-1	7	56	23	70		1,164
266	Newington Park	1,068	298	15	17	0	3	32	13	41	9	57		1,553
824	Seacoast S/C	192	99	15	7	0	2	21	1	28	12	82		458
2301	Rochester Crossing	423	60	15	40	0	1	24	2	79	13	66		723
2564	Nashua Mall Plaza	1,395	445	15	30	0	58	39	2	53	10	154		2,199
132	Hooksett Village Shops	394	32	15	28	0	2	18	2	21	9	53		575
830	Belknap Mall S/C	171	50	15	25	0	1	9	12	22	12	49		367
904	Capitol S/C	845	211	15	34	1	6	18	3	15	11	54		1,212
1614	Target Plaza	817	189	15	13	0	3	0	2	34	9	70		1,152
545	Festival At Hamilton S/C	377	193	15	9	1	2	16	3	21	12	53		703
593	Shrewsbury Plaza	662	235	15	14	3	4	34	3	53	10	94		1,127
1106	Colonia Plaza	668	313	15	16	4	5	46	13	41	12	91		1,224
2217	Freestanding (Former Comp USA)	1,581	422	15	68	6	80	20	2	69	16	154		2,433
2341	Roxbury Mall	1,133	603	18	24	4	6	29	6	48	16	282		2,169
2383	Riverdale Crossing	947	281	15	23	4	6	31	0	77	19	86		1,488
2409	1379 Hooper Avenue	907	198	15	71	1	12	26	1	41	13	95		1,381
2089	Centerton Square	1,703	650	17	35	4	13	18	38	98	12	217		2,805
2355	Garden State Pavillion	738	436	15	22	1	10	13	2	37	17	125		1,416
2558	Deptford Plaza	1,249	701	15	46	1	19	25	2	58	5	172		2,295
551	Mercer On One	1,018	353	15	14	3	5	25	5	97	9	75		1,619
1524	Cottonwood West Shopping Center	425	166	20	17	5	2	33	11	25	12	54		770

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy											
		Rent	CAM	Tech	Insurance	Tax + Licenses	Facilities Service	Waste	Housekeeping	R+M	Phone	Utilities	Total
1669	Wyoming Blvd Northeast	900	143	16	43	3	2	22	6	99	10	100	1,343
2576	Plaza Farmington	623	93	15	14	31	12	21	-1	88	11	98	1,006
1309	Pan America Plaza	265	2	15	44	1	2	10	1	28	12	40	419
1668	Plaza Princessa S/C	425	90	15	44	1	4	23	1	20	14	44	682
1769	Carson Mall	452	22	15	10	5	6	11	2	32	8	44	607
1903	Best In The West S/C	1,795	8	15	51	18	5	42	26	118	21	202	2,302
2015	Sunmark Plaza	1,714	348	17	32	18	-13	53	21	54	20	96	2,359
2204	Elko Junction	443	4	15	10	7	3	14	1	41	13	38	589
1774	Peckham Square	862	320	15	20	13	27	86	19	23	19	43	1,447
1602	Village Square	273	157	15	8	0	1	17	1	18	8	41	537
1929	Northway Mall	1,790	588	17	34	0	5	56	1	108	13	99	2,713
2579	Parkway Plaza	984	378	15	26	0	3	28	2	33	11	91	1,572
455	Niagara Square	387	102	15	8	0	1	15	3	48	11	27	615
1930	Burlington Plaza	1,285	432	15	26	4	10	20	5	255	11	108	2,172
1932	McKinley Milestrip Plaza	1,730	878	17	24	3	2	24	6	91	11	143	2,929
2087	JOANN Plaza	1,259	503	15	28	4	7	11	5	89	19	121	2,059
1868	Southern Tier Crossing	620	266	15	14	0	7	16	4	4	13	76	1,035
206	Queensbury Plaza	462	158	15	32	0	1	20	1	8	12	29	740
2342	Cayuga Mall	506	210	15	10	0	4	11	2	41	12	51	863
645	Kingston Plaza	442	183	15	11	0	1	30	1	40	8	56	786
153	Salisbury Plaza	849	646	15	29	0	9	39	1	51	12	170	1,820
257	Great South Bay S/C	862	507	15	12	1	15	43	14	58	12	113	1,651
2241	Midway Plaza	2,093	147	15	39	1	4	26	14	130	14	123	2,605
2567	Sayville Plaza	1,658	589	15	41	0	17	34	4	117	11	156	2,642
301	Chautauqua Mall	243	84	15	7	3	2	15	1	9	14	22	414
358	Riverside Plaza	164	73	15	6	0	1	21	3	18	8	29	339
461	The Shoppes at Dove Creek	290	21	15	9	0	1	22	1	44	8	40	450
822	K-Mart Plaza	236	0	15	25	0	1	25	0	46	8	40	397
1089	Tops Plaza	492	193	15	26	0	2	20	1	47	8	55	860
2195	Arsenal Plaza	509	160	15	13	0	3	14	-6	50	11	58	828
2356	Fairview Plaza	527	6	15	8	0	4	22	1	34	14	48	679
898	Dunning Farms S/C	569	222	15	47	0	4	15	12	27	13	67	991
1603	Poughkeepsie Plaza Mall	397	0	15	27	0	1	25	0	44	10	48	568
631	Wegmans Plaza	435	176	15	17	0	3	15	1	25	9	42	738
1943	Southtown Plaza	996	341	17	32	0	11	35	6	48	18	133	1,638
1949	JOANN / PetSmart Plaza	938	289	15	15	0	6	14	-5	64	-34	94	1,397
2211	Roseland Center	447	18	15	12	0	2	5	3	63	19	47	631
2064	Towne Center At Fayetteville	1,348	509	17	24	0	3	31	5	47	11	98	2,094
2264	Marketfair North	740	434	15	20	0	3	18	2	48	11	88	1,379
1604	New Hartford S/C	373	0	15	70	0	21	22	5	76	11	59	653

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy											
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171	Darrow Road	1,197	0	18	131	1	6	56	39	96	20	48	1,611
417	Tri-County Plaza	214	7	15	27	0	3	14	4	40	9	57	390
2021	Acme Plaza	1,072	225	17	37	0	1	10	26	19	17	80	1,504
1900	Belden Parke Crossing	2,167	161	17	55	2	1	13	48	44	8	117	2,635
1621	Village Crossing	371	57	15	10	0	4	12	11	52	14	60	604
2147	Arbor Square	1,172	434	15	42	0	14	8	6	52	14	84	1,840
2181	Eastgate Crossing	441	41	15	16	0	6	6	2	28	13	43	610
2240	Colerain Towne Center	674	251	15	15	0	2	7	3	70	14	64	1,116
2513	Indian Springs Shopping Center	540	149	15	12	0	5	11	0	24	17	50	822
2589	Hyde Park Plaza	321	191	0	0	0	3	6	12	3	0	26	562
1586	Southland S/C	712	211	15	41	0	10	2	7	68	17	107	1,190
1592	Medina Grande Shoppes	793	268	15	16	0	16	12	6	34	15	65	1,240
1907	Erie Commons	637	269	15	72	1	2	34	30	99	12	84	1,254
1923	Great Northern S/C	1,574	214	17	61	0	9	19	16	46	13	101	2,070
2272	Golden Gate	870	362	15	18	0	12	25	3	25	13	54	1,397
2410	Midway Market Square	395	279	15	15	1	10	14	2	33	18	83	864
523	Edgewood Plaza	303	66	15	8	0	4	13	3	26	10	39	485
866	Park Plaza	227	0	15	9	0	2	16	4	44	9	45	372
1928	Polaris Towne Centre	1,177	677	18	68	0	10	15	7	132	29	131	2,265
1947	The Festival At Sawmill	1,196	986	15	26	0	6	14	13	68	14	244	2,581
2001	Easton Square	1,713	749	15	48	0	6	15	14	70	16	177	2,823
2012	Taylor Square S/C	1,471	540	17	26	1	0	13	8	46	17	125	2,263
2054	Lincoln Village Plaza	684	155	15	17	1	2	10	6	57	12	91	1,049
603	Beavercreek Towne Centre	642	297	15	18	0	2	14	3	92	10	86	1,178
608	Shiloh Springs Plaza	167	76	15	27	0	13	12	11	80	12	57	467
944	Miami Valley Crossing	-741	151	15	20	1	3	34	7	63	11	91	-345
2136	South Towne Centre	1,315	423	15	49	0	3	12	28	113	13	103	2,073
227	Lima Center	456	154	15	11	0	2	0	4	21	10	43	716
975	Springfield S/C	933	148	15	28	1	6	12	9	62	14	87	1,316
284	St Clair Plaza	161	8	15	24	0	2	10	4	30	10	40	304
309	Potter Village	246	34	15	9	0	2	10	4	39	7	43	409
384	Zane Plaza	245	68	15	25	0	6	15	3	39	15	28	458
2227	New Towne Mall	471	0	15	17	0	2	9	7	105	8	82	715
2242	Northtowne East	460	16	15	10	0	9	5	4	18	15	62	614
2380	Athens Mall	371	0	15	12	0	6	22	7	113	16	67	629
2448	Former Home Depot	534	9	15	25	0	4	16	1	39	14	84	742
506	Lafayette Center	249	53	15	7	0	2	21	2	27	9	28	413
2451	Crossings at Sandusky	348	125	15	8	0	3	12	0	38	13	39	601
308	Springfield Plaza S/C	270	0	15	7	0	1	7	4	31	10	27	372
378	Hollywood City Center	404	55	15	10	0	2	14	4	42	10	51	607

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Store No.	Location	Per Diem Occupancy											
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379	Reynolds Plaza	365	78	15	14	0	2	13	5	27	9	31	558
2300	Freestanding (frm Circuit City)	1,012	416	15	24	0	8	9	4	31	14	93	1,627
2459	Ohio Valley Mall	333	265	16	9	2	0	16	2	43	13	106	805
2502	Boulevard Centre at Eastwood Mall	641	321	15	30	3	5	33	1	21	13	61	1,145
2519	Shops @ Boardman Park	925	148	15	37	0	97	7	2	53	16	91	1,391
2393	Lawton Towne Center	354	143	15	12	20	16	8	0	52	13	55	689
2291	Bradford Plaza	387	4	15	8	17	8	16	0	56	14	88	613
2358	Shawnee Mall	371	34	15	10	27	-5	14	1	145	19	41	671
2267	Rockwell Plaza	470	145	17	71	33	5	2	0	50	18	56	868
2548	Champions Centre	814	236	15	34	57	2	16	0	30	14	149	1,366
2557	Union Plaza	1,137	215	15	30	37	6	27	0	47	14	82	1,610
2168	Pioneer Crossing	633	192	15	41	7	6	21	17	24	12	76	1,043
2397	Freestanding	572	75	15	15	7	48	8	1	116	13	48	917
2216	Corvallis Crossing	584	183	15	15	28	15	31	2	30	13	64	980
800	Mohawk Market Place	514	0	15	11	4	1	12	4	24	9	20	614
2317	Freestanding	799	289	15	23	7	10	35	0	32	19	74	1,302
1739	Poplar Drive	614	185	15	53	2	5	22	15	174	7	60	1,152
792	Bi-Mart Plaza	365	83	15	12	4	8	12	1	29	9	26	565
870	Miracle Village S/C	632	221	15	31	5	3	14	6	47	14	37	1,025
915	Cascade Square	327	150	15	11	4	1	10	0	17	8	48	591
1591	Sw 4Th Ave	497	78	15	20	8	4	10	0	40	14	59	745
1731	Pony Village Mall	545	90	15	11	5	3	0	13	31	8	47	766
2232	Un-Named Shopping Center	530	137	15	12	5	2	53	11	32	11	51	860
2311	Grants Pass Shopping Center	489	76	15	27	7	5	26	12	15	12	56	741
2321	Jefferson Square	692	202	15	12	8	4	3	15	170	11	77	1,209
2461	Roseburg Marketplace	499	134	15	14	7	5	14	13	32	14	51	799
633	Mcminnville Town Ctr	333	131	15	10	3	3	19	3	52	10	21	600
1742	Molalla Avenue	774	272	15	18	6	7	21	5	20	12	94	1,243
2101	Crossroads at Orenco Station	1,554	529	18	61	19	36	27	13	75	15	163	2,511
2120	Tigard Shopping Plaza	435	0	15	25	17	38	21	5	43	13	154	766
2396	Canyon Place	714	308	15	32	8	6	0	1	27	13	56	1,179
2554	Former Salvation Army	1,568	310	15	30	65	6	89	2	66	15	147	2,313
2582	Gresham Town Fair	807	406	15	24	20	3	49	2	35	14	94	1,468
2218	Lancaster Mall	698	373	15	81	16	3	22	23	32	20	77	1,359
145	Macarthur Towne Center	825	372	15	21	15	11	20	10	76	14	103	1,483
1073	Pleasant Valley S/C	391	43	15	10	5	3	20	2	103	12	57	662
485	Summit Town Center	508	145	15	12	0	-2	12	10	36	11	54	803
1131	West Shore Plaza	624	191	15	35	0	3	23	5	27	9	96	1,030
2160	Colonial Commons	485	194	15	40	0	1	14	11	23	16	89	887
2338	University Park S/C	481	142	15	8	5	1	13	11	33	16	68	793

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**Occupancy Analysis**

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181	Parkview Plaza	583	150	15	20	0	3	20	5	37	13	69	914
644	Cedar Crest Sq S/C	267	137	15	9	0	2	0	8	48	14	38	538
372	South Park Plaza	456	46	15	13	0	5	11	3	55	16	54	672
387	Dubois Mall	324	154	15	8	0	4	15	2	36	14	67	640
495	Lincoln Way East S/C	325	34	15	8	0	2	12	15	22	11	34	477
692	Regency Mall	290	107	15	7	0	1	9	3	29	15	78	555
2345	Susquehanna Valley Mall	92	0	15	6	0	1	13	4	33	16	38	218
615	Norriton Square S/C	245	177	15	8	5	1	16	11	12	12	33	534
1185	Gateway S/C	839	167	15	28	0	4	32	2	47	11	31	1,176
1588	Quakertown Plaza	854	249	15	16	1	1	20	3	29	13	153	1,354
1626	Montgomery Commons S/C	313	62	15	7	0	2	10	1	47	12	74	544
2078	Ashbridge Square	884	400	17	31	0	7	19	2	48	12	105	1,525
2092	The Court At Oxford Valley	1,407	409	15	42	1	5	17	22	78	12	209	2,217
2111	Marple Crossroads	1,139	526	15	26	10	2	0	4	45	18	79	1,861
2303	Concordville Town Center	359	215	15	9	0	3	0	2	65	13	51	732
2354	Creekview Center	837	305	15	34	1	5	20	2	67	14	108	1,406
2357	Boulevard Plaza	958	420	15	33	106	4	12	2	43	13	110	1,716
2512	The Shops at Coventry	499	105	15	10	4	7	19	2	48	17	81	806
221	Great Southern S/C	639	322	15	67	8	2	6	3	40	9	104	1,214
224	Pullman Square	348	46	17	26	5	1	15	11	27	9	81	587
683	Tri-County Plaza	222	83	15	6	4	2	5	1	17	9	25	390
970	Southland Four Seasons	578	328	15	12	11	3	10	4	30	15	68	1,072
2045	Ross Towne Center	1,449	355	17	25	14	-7	17	17	29	17	166	2,098
2050	Cranberry Mall	1,092	413	17	37	11	-20	25	4	80	22	119	1,800
2051	William Penn Hwy	937	407	15	33	20	3	17	19	71	19	188	1,730
2053	Robinson Town Centre	1,214	371	15	20	0	-1	11	8	42	15	161	1,857
2059	Greengate Centre	1,381	446	15	60	3	3	26	2	35	13	109	2,096
2447	Pittsburgh Mills	645	0	15	12	1	5	9	3	51	13	29	783
2286	Former Borders	941	330	15	44	13	7	13	13	60	16	71	1,522
507	West Side Mall	772	217	15	21	11	1	35	18	63	15	86	1,253
2574	Dickson City Crossing	804	257	15	17	9	3	30	3	27	17	67	1,248
236	Suburban Plaza	516	94	15	11	0	4	15	20	23	9	55	763
200	TJ Maxx Plaza	325	110	15	7	4	2	31	13	19	10	25	561
1103	South York Crossing	379	91	15	32	6	0	23	18	30	9	37	642
2262	North Point Plaza	341	101	15	9	0	2	13	17	16	16	49	580
235	Hermitage Towne Plaza	459	86	15	9	1	-3	11	3	27	11	46	666
2125	Marketplace Center	1,819	283	15	46	93	7	27	28	41	17	214	2,590
2492	Market Place Shopping Center	212	55	15	7	6	0	12	2	43	13	40	405
2328	Ashley Crossing	514	169	15	13	12	3	34	1	53	16	53	883
2351	Main St Marketplace	629	219	15	35	18	17	5	1	71	15	81	1,107

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy												
		Rent	CAM	Tech	Insurance	Tax + Licenses	Facilities Service	Waste	Housekeeping	R+M	Phone	Utilities	Total	
1126	Fountain S/C	376	85	15	31	6	1	10	2	65	11	70	672	
2172	Northpointe Commons	482	299	15	23	12	8	7	3	33	16	83	982	
2201	Florence Mall	352	191	15	8	10	1	12	8	-12	14	68	667	
2314	Cross Pointe Plaza	521	243	15	20	15	1	19	-6	69	13	70	981	
2566	Seaboard Commons	872	480	15	24	33	8	16	2	56	5	98	1,608	
2207	Westgate Crossing	656	6	15	13	5	15	10	3	34	19	71	849	
2511	University Mall	425	0	15	7	0	1	24	2	8	21	41	544	
2475	Haines Station Plaza	243	84	15	10	0	2	16	3	24	14	28	439	
516	Plaza 41 (Former Holz Haus)	672	209	15	45	0	2	7	1	22	16	53	1,042	
2171	Hamilton Village	346	20	15	20	18	4	5	21	59	15	104	628	
2479	Governors Square Plaza	664	279	15	18	15	16	22	5	62	14	97	1,207	
2194	The Columns	482	173	15	10	11	4	13	13	31	16	52	820	
2494	Johnson City Plaza	193	59	15	7	7	3	12	2	28	14	40	379	
2500	Kingsport Shopping Center	219	57	15	8	5	2	10	12	40	17	50	435	
2313	Harvest Park Shopping Center	281	132	15	12	13	2	9	13	35	13	108	632	
2563	The Centre at Deane Hill	1,128	313	17	37	63	1	38	2	60	12	213	1,883	
2536	Shops of Forest Hill	913	300	15	51	14	7	48	3	48	16	159	1,575	
1893	Towne Centre	604	198	15	65	18	6	8	19	40	15	86	1,073	
1905	Cool Springs Market	1,513	479	16	58	28	22	17	22	165	20	183	2,523	
2135	Providence Marketplace	1,316	213	17	21	23	14	14	6	84	22	179	1,910	
2305	Village Of Rivergate	1,073	115	15	22	12	3	10	27	83	23	189	1,573	
2170	Governors Crossing	310	0	15	7	8	6	9	2	27	13	41	440	
2402	Northgate Mall	300	0	15	9	10	3	11	1	95	16	61	520	
2482	Park Central Shopping Center	496	164	15	30	28	3	7	9	98	15	78	942	
1001	Shops At Soncy	508	85	16	21	31	3	5	12	120	13	78	894	
2140	Shops at Arbor Walk	1,447	891	17	53	31	7	23	7	69	19	212	2,777	
2155	University Oaks	1,064	560	15	30	18	3	10	2	135	14	77	1,927	
2571	Southpark Meadows	1,016	668	15	25	-33	11	40	2	58	14	234	2,049	
1102	Dowlen Town Center	453	223	15	17	29	5	8	3	62	21	59	894	
1268	Tejas Center	257	120	15	11	23	1	6	1	102	10	49	595	
1032	Staples Crossing S/C	801	186	15	25	34	11	19	0	43	9	78	1,222	
1227	East Mockingbird Lane	943	478	15	17	32	4	13	17	67	13	49	1,647	
1291	Village At Collin Creek	611	366	15	55	29	11	0	2	29	17	87	1,221	
2027	South Frisco Village	719	227	15	21	39	25	24	27	67	15	127	1,307	
2035	William D Tate Ave	648	117	15	36	27	-1	12	15	61	14	93	1,036	
2036	Preston Forest S C	1,682	1,731	18	62	56	4	84	3	298	38	252	4,227	
2083	Market Street Village	1,104	526	15	20	48	6	31	4	161	18	142	2,073	
2106	Ridgemar Town Square	674	323	16	32	49	15	18	35	99	15	128	1,405	
2134	Arlington Highlands S/C	1,467	826	15	52	48	13	40	14	73	13	113	2,673	
2197	The Plaza At Rockwall	582	107	15	30	10	1	17	5	49	15	51	881	

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy												Total
		Rent	CAM	Tech	Insurance	Tax + Licenses	Facilities Service	Waste	Housekeeping	R+M	Phone	Utilities		
2212	Rayzor Ranch	690	456	15	37	11	4	20	1	20	13	81		1,347
2265	Hulen Fashion Center	654	10	15	36	39	-3	10	10	64	15	63		913
2296	Towne Center	479	440	15	36	22	15	12	5	38	13	75		1,150
2501	Midlothian Towne Crossing	514	208	15	12	14	3	3	1	25	16	52		863
2560	Lakepointe Towne Crossing	862	301	15	17	-25	3	43	2	53	11	313		1,596
2575	Marketplace at Towne Centre	723	249	15	12	63	-1	30	2	28	11	86		1,217
2446	Yarbrough Plaza	962	256	15	59	54	26	13	2	54	17	138		1,595
1402	Copperfield Crossing	309	154	15	9	15	0	10	3	25	11	27		578
1433	Willowchase Center	431	217	15	17	25	23	6	0	42	21	58		854
2152	Baybrook Village	1,072	642	16	31	31	3	26	-16	179	16	20		2,020
2206	Colony Square	958	209	15	38	32	6	13	3	47	17	71		1,409
2226	Price Plaza	918	479	15	34	32	13	0	5	64	13	110		1,682
2292	Woodlands Home Center	815	330	15	27	27	8	4	4	87	16	88		1,419
2415	Witte Plaza	1,025	436	15	16	24	12	17	0	108	17	91		1,761
2561	Meyerland Plaza	2,185	1,004	15	27	37	2	21	2	52	16	161		3,523
2570	Deerbrook Marketplace	986	352	15	21	89	5	29	0	24	13	487		2,021
1488	Rockridge Plaza	326	181	15	36	14	2	22	0	47	10	72		724
2464	Pharr Town Center	576	350	15	13	51	8	0	0	105	15	58		1,192
2325	Chimney Rock	473	67	15	9	21	18	53	0	105	24	38		822
2157	The Pavillions	1,154	399	15	38	56	17	26	11	90	15	119		1,940
2251	Bandera Pointe	638	406	15	23	37	3	19	12	30	16	116		1,314
2387	Interstate Plaza	442	339	15	37	17	12	6	1	35	14	71		989
2485	City Base Landing	199	289	15	11	31	1	7	1	32	13	61		660
2308	Sherman Commons	520	349	15	14	29	10	8	1	53	17	59		1,075
2572	The Village at Cumberland Park	927	302	15	22	-78	5	19	0	94	11	223		1,541
2445	Central Texas Marketplace	751	316	17	43	23	15	13	0	24	20	70		1,291
1752	South Main Street	524	108	15	23	3	-7	11	1	57	16	64		816
2180	Renaissance Square	451	0	15	56	4	4	8	15	62	18	88		720
2365	Gardner Towne Center	454	180	15	13	2	3	28	1	16	13	47		772
2107	Family Center at Riverdale	1,117	370	17	73	9	11	11	6	89	14	115		1,833
2295	Centerville Marketplace	793	223	15	19	3	7	0	20	63	13	71		1,228
2334	Clinton Towne Center	718	261	15	16	5	10	11	20	30	16	91		1,193
1756	The Family Center At Orem	1,002	238	15	29	7	2	21	24	22	11	80		1,449
2331	American Fork Shopping Center	895	155	15	42	3	19	8	21	40	16	70		1,283
2379	Northgate Shopping Center	718	192	15	39	3	10	13	1	49	18	53		1,112
2074	The Crossroads of Taylorsville	1,417	0	17	33	10	12	13	12	55	29	133		1,730
2121	Draper Retail Center	1,376	253	15	30	6	17	10	26	25	16	117		1,891
2213	Freestanding (Former Albertsons)	450	0	15	12	3	7	11	14	25	13	40		592
2528	Former Dan's Market	773	467	15	19	18	5	19	1	133	6	113		1,570
2329	Cotton Mill Shopping Center	773	231	17	28	3	2	9	18	69	15	148		1,313

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy												Total
		Rent	CAM	Tech	Insurance	Tax + Licenses	Facilities Service	Waste	Housekeeping	R+M	Phone	Utilities		
2505	New River Valley Center	656	217	15	10	10	7	17	1	58	15	80		1,085
2255	Rio Hill SC	943	309	15	14	16	4	14	5	48	17	78		1,464
2309	River Ridge Mall	284	0	15	10	15	3	22	4	21	15	66		454
2454	Village of Martinsville	514	3	15	9	11	24	19	-1	47	17	40		698
2506	Dominion Square	300	74	15	6	7	2	13	3	140	15	62		636
2141	Westchester Commons	1,348	0	17	45	32	7	20	13	68	15	95		1,659
2222	Merchant's Walk	535	153	15	39	20	2	32	6	39	12	55		909
2185	Tower Shopping Center	747	288	15	24	27	4	0	6	25	13	83		1,232
1094	DW Center	296	35	15	25	20	13	7	4	26	10	28		479
1270	Riverdale Plaza	291	124	15	10	15	1	7	4	18	10	49		543
2209	Newtown Shops on Main	543	31	15	43	20	4	0	3	46	13	44		761
2507	Crossways Shopping Center	709	128	15	40	26	-5	15	3	30	14	64		1,040
2520	Hilltop Plaza	1,037	240	15	19	35	8	15	12	55	21	74		1,530
102	Seven Corners Center	1,249	198	15	17	19	2	0	2	38	13	49		1,600
820	Warrenton Center	440	143	15	8	5	3	13	3	13	9	27		680
1875	Fairfax Towne Center	977	328	19	34	23	8	45	4	187	15	48		1,689
2158	Prince William Square	970	319	16	25	17	13	21	3	71	15	98		1,566
2159	Cosner's Corner	1,056	227	17	77	25	4	24	5	55	13	113		1,616
2550	Sugarland Crossing	1,250	310	15	23	51	2	31	2	72	20	105		1,880
511	Millwood Pike	360	66	15	11	19	1	14	4	25	11	39		564
526	Commerce Square	1,301	250	15	22	0	1	47	2	19	8	151		1,815
289	Green Mountain S/C	368	156	15	26	2	2	22	2	15	9	82		700
2340	Central Vermont Shopping Cente	283	113	15	9	11	2	26	17	51	16	100		643
1725	Sunset Square	1,049	358	15	42	19	4	-7	5	44	14	39		1,583
794	High Point S/C	253	59	15	19	0	1	32	11	101	11	34		536
2007	Silverdale Plaza	1,055	293	17	37	4	8	18	18	18	15	75		1,558
2577	Columbia Center	1,045	194	15	52	11	10	0	2	20	11	63		1,424
810	Gateway Square	532	67	15	25	2	12	25	0	129	10	80		900
1867	Twin City S/C	650	147	15	22	7	8	32	5	25	14	33		956
2199	Mount Vernon Plaza	673	168	15	22	2	17	29	4	27	13	54		1,024
802	Port Angeles Plaza	389	56	15	16	1	3	6	3	10	12	31		542
1687	North Wilber Avenue	270	-18	15	14	1	46	24	4	21	9	50		436
2443	Town Center	513	13	15	18	3	3	19	1	34	19	30		668
2038	Target Place Plaza	1,448	600	17	66	20	32	58	30	158	21	170		2,620
2102	Orchards Market Center	1,394	239	17	59	18	9	16	8	51	13	93		1,919
2394	Totem Pole	484	53	15	22	2	4	38	2	61	13	49		743
354	Kent Hill Plaza	620	180	15	34	5	6	69	20	104	13	77		1,143
789	Cascade Plaza	629	179	15	22	6	4	24	17	42	10	33		981
793	Northeast Sunset Blvd.	389	113	15	15	5	4	24	14	15	13	69		674
805	Aurora Ave North	1,114	241	15	35	7	3	32	2	50	17	82		1,598

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy											
		Rent	CAM	Tech	Insurance	Tax + Licenses	Facilities Service	Waste	Housekeeping	R+M	Phone	Utilities	Total
1711	Nw 57Th Street	674	277	15	19	34	13	29	-3	106	10	47	1,222
1944	Pavilions Centre	601	358	17	28	5	16	30	10	22	13	88	1,188
1950	Southcenter Parkway	2,668	487	17	43	13	12	269	10	48	13	105	3,684
2044	Meridian Town Center	1,510	340	15	34	14	17	44	20	50	11	93	2,149
2067	Cross Roads S/C	278	59	15	37	16	7	16	21	69	12	226	756
2081	Lynnwood Center	1,859	632	18	54	3	10	21	25	56	25	108	2,811
2093	Boulevard Centre	1,952	509	16	38	24	17	76	7	66	20	53	2,777
2173	Gateway Shopping Center	690	263	15	21	1	4	34	4	43	15	49	1,138
784	Five Mile S/C	803	215	15	39	2	9	95	12	114	15	108	1,427
1701	East 29Th Avenue	755	129	15	25	1	4	82	13	30	13	49	1,114
1872	Market Pointe I	842	163	15	31	1	8	31	-1	75	16	71	1,251
1700	Valley Mall Parkway	374	41	15	14	1	44	26	6	53	14	22	610
783	Tieton Village S/C	575	127	15	28	3	10	17	4	31	8	81	897
2149	Fox River Valley SC	877	168	15	25	0	3	12	1	31	15	63	1,211
1866	Oak Pointe Plaza	735	104	15	21	0	2	24	4	36	11	77	1,029
2187	Forest Plaza	497	182	15	10	2	4	8	1	43	18	52	832
2099	Bayside Market Place	979	278	15	48	3	2	11	0	50	14	104	1,502
2510	Marketplace at Janesville	440	235	15	14	0	10	8	1	21	16	75	833
2478	Crossing Meadows Plaza	557	190	15	14	0	1	25	1	26	19	67	915
319	East Town Plaza	733	197	15	16	-1	3	32	-1	106	17	106	1,222
2086	Westland Plaza	1,154	338	16	7	0	10	24	2	98	13	170	1,832
2236	Market Place SC	534	0	15	12	0	2	12	1	21	14	50	662
324	Silver Nail S/C	302	72	15	26	0	1	0	7	36	10	37	507
862	Packard Plaza	248	0	15	8	0	1	9	11	55	9	49	405
2046	Greenfield Fashion Center	1,269	330	17	38	1	2	18	4	39	18	113	1,849
2079	Brookfield Fashion Center	1,384	485	17	43	0	2	18	23	79	14	132	2,196
2347	North Pointe Centre	568	144	15	12	-1	1	11	1	30	13	49	844
728	Rivers Edge Mall	252	0	15	6	0	1	8	2	115	8	50	456
2215	Crossroads Commons	179	0	15	9	-1	2	13	0	39	13	35	303
2322	Geneva Commons	459	163	15	11	0	2	14	0	23	133	45	866
2327	Heritage Village	326	58	15	8	0	4	5	1	55	13	42	527
2487	Marshfield Center	279	91	15	6	-1	1	8	1	30	14	45	490
2517	Pine Tree Mall	372	134	15	8	1	6	8	0	25	22	42	634
2348	Koeller Plaza	574	224	15	12	0	6	17	-1	40	13	62	962
2468	Regency Mall	740	276	15	16	0	1	16	0	40	16	64	1,184
2280	Deer Trace Shopping Center	638	184	15	13	0	18	17	1	54	13	68	1,021
1585	Rib Mountain Drive	735	202	15	17	1	14	24	15	36	20	79	1,158
569	Fletcher Square	471	21	15	15	57	3	14	5	27	13	58	700
2450	Raleigh Mall	384	141	15	14	73	11	21	6	60	16	77	818
363	Memorial Bridge Plaza	317	45	15	9	33	1	18	4	24	8	45	519

**Exhibit 4.1(c)**  
**Occupancy Analysis**

Store No.	Location	Per Diem Occupancy												Total
		Rent	CAM	Tech	Insurance	Tax + Licenses	Facilities Service	Waste	Housekeeping	R+M	Phone	Utilities		
2223	Frontier Mall	320	5	15	8	3	1	20	1	13	22	61		469
2366	White Mountain Mall	301	12	15	7	3	4	15	8	35	20	38		458
802	Total	<b>596,169</b>	<b>187,005</b>	<b>12,114</b>	<b>20,983</b>	<b>11,572</b>	<b>5,663</b>	<b>16,227</b>	<b>5,564</b>	<b>47,589</b>	<b>11,704</b>	<b>76,218</b>		<b>990,809</b>
	Per Store Week	<b>5,203</b>	<b>1,632</b>	<b>106</b>	<b>183</b>	<b>101</b>	<b>49</b>	<b>142</b>	<b>49</b>	<b>415</b>	<b>102</b>	<b>665</b>		<b>8,648</b>

**Exhibit 8.1**  
**Sale Guidelines**

**Exhibit 8.1**

**Sale Guidelines**

1. The GOB Sales will be conducted during normal business hours or such hours as otherwise permitted by the applicable Lease for each Store.

2. The GOB Sales will be conducted in accordance with applicable state and local “Blue Laws,” and thus, where such a law is applicable, no GOB Sale will be conducted on Sunday unless Merchant was operating such stores on Sundays before the Sale Commencement Date.

3. On “shopping center” property, neither Merchant nor Agent shall distribute handbills, leaflets, or other written materials to customers outside of any Stores’ premises, unless permitted by the applicable lease or if distribution is customary in the “shopping center” in which such Store is located; *provided* that Merchant and Agent may solicit customers in the Stores themselves. On “shopping center” property, neither Merchant nor Agent shall use any flashing lights or amplified sound to advertise the GOB Sale or solicit customers, except as permitted under the applicable Lease or agreed in writing by the landlord.

4. At the conclusion of the GOB Sale, Agent shall vacate the Stores in broom clean condition; *provided* that the Agent may leave in place and without further responsibility or liability of any kind any furniture, fixtures, and equipment (including, but not limited to, machinery, rolling stock, office equipment and personal property, and conveyor systems and racking) (collectively, “FF&E”) not sold in the GOB Sale at the conclusion of the GOB Sale, without cost or liability of any kind to Agent. For the avoidance of doubt, as of the conclusion of the GOB Sale or the Vacate Date, as applicable, the Agent may leave in place and without further responsibility or liability of any kind, any FF&E.

5. Merchant and Agent shall have the right to use and sell the FF&E. Merchant and Agent may advertise the sale of the FF&E in a manner consistent with these Sale Guidelines. The purchasers of any FF&E sold during the GOB Sale shall be permitted to remove the FF&E either through the back or alternative shipping areas at any time, or through other areas after Store business hours; *provided, however*, that the foregoing shall not apply to *de minimis* FF&E sales made whereby the item can be carried out of the Store in a shopping bag.

6. Merchant and Agent may, but are not required to, advertise all of the GOB Sales as “going out of business,” “store closing,” “sale on everything,” “everything must go,” or similarly themed sales. Merchant and Agent may also have a “countdown to closing” sign prominently displayed in a manner consistent with these Sale Guidelines.

7. Agent shall be entitled to include Additional Agent Merchandise (as defined in the Agency Agreement) in the GOB Sale in accordance with the terms of the Agency Agreement.

8. Merchant and Agent shall be permitted to utilize sign walkers, display, hanging signs, and interior banners in connection with the GOB Sale; *provided* that such sign walkers, display, hanging signs, and interior banners shall be professionally produced and hung in a professional manner. Neither Merchant nor Agent shall use neon or “day-glo” on its sign walkers, display, hanging signs, or interior banners if prohibited by the applicable lease or applicable law. Furthermore, with respect to enclosed mall locations, no exterior signs or signs in common areas of a mall shall be used unless otherwise expressly permitted in these Sale Guidelines. In addition, Merchant and Agent shall be permitted to utilize exterior banners at (a) non-enclosed mall Stores and (b) enclosed mall Stores to the extent the entrance to the applicable Store does not require entry into the enclosed mall common area; *provided, however*, that such banners shall be located or hung so as to make clear that the GOB Sale is being conducted only at the affected Store, and shall not be wider than the storefront of the Store. In addition, Merchant and Agent shall be permitted to utilize sign walkers in a safe and professional manner. Merchant and Agent shall also be permitted to use 4’x40’ exterior banners, A-frames, feather flags, and banners listing “building for sale” with contact information. Nothing contained in these Sale Guidelines shall be construed to create or impose upon Merchant or Agent any additional restrictions not contained in the applicable lease agreement.

9. Neither Merchant nor Agent shall make any alterations to the storefront, roof, or exterior walls of any Stores or shopping centers, or to interior or exterior store lighting, except with respect to the hanging of exterior banners or as authorized by the applicable Lease. The hanging of exterior banners or in-store signage shall not constitute an alteration to a Store.

10. Affected landlords will have the ability to negotiate with Agent, any particular modifications to the Sale Guidelines pursuant to side letter agreements. Agent and the landlord of any Store are authorized to enter into side letters without further order of the Court; *provided* that such agreements do not have a material adverse effect on Merchant or its estate.

11. Conspicuous signs will be posted in each of the affected stores to the effect that all sales are “final.”

12. Merchant will keep store premises and surrounding areas clear and orderly, consistent with past practices.

13. An unexpired non-residential real property lease will not be deemed rejected by reason of a GOB Sale or the adoption of these Sale Guidelines.

14. The rights of landlords against Merchant for any damages to a Store shall be reserved in accordance with the provisions of the applicable Lease; *provided* that (a) closed Stores shall be surrendered in as-is condition and (b) to the extent certain Leases of closed Stores require written confirmation of receipt of a key to effectuate surrender, this requirement is waived.

15. If and to the extent that the landlord of any Store contends that Merchant or Agent is in breach of or default under these Sale Guidelines, such landlord shall provide at least five days' written notice, served by email or overnight delivery, on:

**If to Merchant:**

JOANN Inc.  
5555 Darrow Rd.  
Hudson, Ohio 44236  
Attn: Ann Aber  
Email: ann.aber@joann.com

*With copies (which shall not constitute notice) to:*

Kirkland & Ellis LLP  
601 Lexington Avenue  
New York, New York 10022  
Attn: Joshua A. Sussberg, P.C. and Aparna Yenamandra, P.C.  
Email: joshua.sussberg@kirkland.com;  
aparna.yenamandra@kirkland.com

-and-

Kirkland & Ellis LLP  
333 West Wolf Point Plaza  
Chicago, Illinois 60654  
Attn: Anup Sathy, P.C; Jeffrey Michalik; and Lindsey Blumenthal  
Email: anup.sathy@kirkland.com; jeff.michalik@kirkland.com; and  
lindsey.blumenthal@kirkland.com

**If to Agent:**

GORDON BROTHERS RETAIL PARTNERS, LLC  
101 Huntington Street, 11<sup>th</sup> Floor  
Boston, Massachusetts 02199  
Attn: Rick Edwards; Joseph Malfitano; and David Braun  
Email: redwards@gordonbrothers.com;  
jmalfitano@gordonbrothers.com; and dbraun@gordonbrothers.com

*With copies (which shall not constitute notice) to:*

Katten Muchin Rosenman LLP  
50 Rockefeller Plaza  
New York, New York 10020  
Attn: Steven J. Reisman and Cindi M. Giglio

Email: [sreisman@katten.com](mailto:sreisman@katten.com); [cgiglio@katten.com](mailto:cgiglio@katten.com)

16. If the parties are unable to resolve the dispute, either the landlord or Merchant shall have the right to schedule an emergency hearing before the Bankruptcy Court on no less than three business days' notice, unless the parties agree to a hearing on shorter notice, subject to the Bankruptcy Court's availability.

**Exhibit 11.2(m)**

**Promotional Calendar**

TO COME

**Exhibit 3**

**Sale Notice**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:	)	Chapter 11
	)	
JOANN INC., <i>et al.</i> <sup>1</sup>	)	Case No. 25-10068 (____)
	)	
Debtors.	)	(Joint Administration Requested)
	)	

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**NOTICE OF AUCTION FOR THE SALE OF THE DEBTORS' ASSETS**

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**PLEASE TAKE NOTICE OF THE FOLLOWING:**

On [●], 2025, the United States Bankruptcy Court for the District of Delaware (the “Court”) entered the *Order (I) Approving Bidding Procedures, (II) Scheduling Certain Dates and Deadlines with Respect Thereto, (III) Approving the Form and Manner of Notice Thereof, (IV) Approving the Stalking Horse Agreement, (V) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases, (VI) Authorizing the Assumption and Assignment of Assumed Contracts and Leases, (VII) Approving the Sale of Assets, and (VIII) Granting Related Relief* [Docket No. [●]] (the “Order”),<sup>2</sup> authorizing the above-captioned debtors and debtors in possession (collectively, the “Debtors”) to market and conduct an auction (the “Auction”) to sell the Assets free and clear of liens, claims, encumbrances, and other interests (except as may be set forth in the Definitive Sale Documents), with all such liens, claims, encumbrances, and other interests attaching with the same validity and priority to the applicable sale proceeds. The Auction (if any) will be governed by the bidding procedures approved pursuant to the Order and attached to the Order as Exhibit 1 thereto (the “Bidding Procedures”).

Copies of the Order, the Bidding Procedures, the Stalking Horse Agreement, and other documents related thereto, are available upon visiting the Debtors’ restructuring website at <https://cases.ra.kroll.com/Joann2025>.

**Any person or entity who wishes to participate in the Auction must comply with the participation requirements, bid requirements, and other requirements set forth in the Bidding Procedures. The Bid Deadline is February 12, 2025, at 5:00 p.m. (prevailing Eastern Time).**

The Debtors intend to conduct the Auction (if required) at which they will consider Qualified Bids (as defined in the Bidding Procedures) submitted to the Debtors and their advisors, by and pursuant to the Bidding Procedures and as set forth in the Order. The Debtors intend to commence the Auction (if applicable) on **February 14, 2025, at 10:00 a.m. (prevailing Eastern Time)**, either in-person or by

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: JOANN Inc. (5540); Needle Holdings LLC (3814); Jo-Ann Stores, LLC (0629); Creative Tech Solutions LLC (6734); Creativebug, LLC (3208); WeaveUp, Inc. (5633); JAS Aviation, LLC (9570); joann.com, LLC (1594); JOANN Ditto Holdings Inc. (9652); Dittopatterns LLC (0452); JOANN Holdings 1, LLC (9030); JOANN Holdings 2, LLC (6408); and Jo-Ann Stores Support Center, Inc. (5027). The Debtors’ mailing address is 5555 Darrow Road, Hudson, Ohio 44236.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Order or the Bidding Procedures, as applicable.

videoconference or such other form of remote communication established by the Debtors (to be communicated to Qualified Bidders in advance).

The Debtors reserve the right to modify the Bidding Procedures in accordance with the Bidding Procedures and the Order.

All requests directed to the Debtors in connection with the foregoing, or for further information regarding the Bidding Procedures and participation therein, or for further information regarding the Assets, must be directed to: Centerview Partners, LLC, the Debtors' proposed investment banker, at Ryan Kielty (rkielty@centerview.com), Karn Chopra (kchopra@centerview.com), Daniel Bendetson (dbendetson@centerview.com). All Potential Bidders are instructed to review the Bidding Procedures in consultation with counsel.

**Exhibit 4(A)**

**Notice of Winning Bidder (if no Auction)**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:	)	Chapter 11
JOANN INC., et al. <sup>1</sup>	)	Case No. 25-10068 (____)
Debtors.	)	(Joint Administration Requested)
	)	

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**NOTICE OF WINNING BIDDER FOR CERTAIN OF THE DEBTORS' ASSETS**

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**PLEASE TAKE NOTICE OF THE FOLLOWING:**

On [●], 2025, the United States Bankruptcy Court for the District of Delaware (the “Court”) entered the *Order (I) Approving Bidding Procedures, (II) Scheduling Certain Dates and Deadlines with Respect Thereto, (III) Approving the Form and Manner of Notice Thereof, (IV) Approving the Stalking Horse Agreement, (V) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases, (VI) Authorizing the Assumption and Assignment of Assumed Contracts and Leases, (VII) Approving the Sale of Assets, and (VIII) Granting Related Relief*] [Docket No. [●]] (the “Order”),<sup>2</sup> by which the Court approved procedures setting forth the process by which the Debtors are authorized to conduct a marketing and auction process for the sale or sales (the “Sale Transactions”) of the Debtors’ assets (the “Assets”).

The Debtors select the following Winning Bidder:

Assets	Winning Bidder	Back-Up Bidder	Key Terms of Proposed Sale
[●]			

The Sale Hearing to consider approval of the sale of the Assets to the Winning Bidder(s) will be held before the Honorable [●], at the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3<sup>rd</sup> Floor, Courtroom #[●], Wilmington, Delaware 19801, on **February 14, 2025, at 10:00 a.m. (prevailing Eastern Time)**.

At the Sale Hearing, the Debtors will seek the Court’s approval of the Winning Bid(s) for the applicable Assets. Unless the Court orders otherwise, the Sale Hearing shall be an evidentiary hearing on matters relating to the sale(s) for the applicable Assets, and there will be no further bidding at the

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: JOANN Inc. (5540); Needle Holdings LLC (3814); Jo-Ann Stores, LLC (0629); Creative Tech Solutions LLC (6734); Creativebug, LLC (3208); WeaveUp, Inc. (5633); JAS Aviation, LLC (9570); joann.com, LLC (1594); JOANN Ditto Holdings Inc. (9652); Dittopatterns LLC (0452); JOANN Holdings 1, LLC (9030); JOANN Holdings 2, LLC (6408); and Jo-Ann Stores Support Center, Inc. (5027). The Debtors’ mailing address is 5555 Darrow Road, Hudson, Ohio 44236.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Order, the Motion, or the Bidding Procedures, as applicable.

Sale Hearing.

This notice is subject to the terms and conditions of the Motion and the Order, with such Order controlling in the event of any conflict, and the Debtors encourage parties in interest to review such documents, including the Bidding Procedures, in their entirety. Parties interested in receiving additional or other information regarding the proposed Sale Transaction or other disposition of the applicable Assets may make a written request to Kroll Restructuring Administration LLC (“Kroll”) (the notice and claims agent retained in these chapter 11 cases) or by calling (844) 712-2239 (US/Canada Toll Free) or +1 (646) 863-7121 (International) for calls originating outside of the U.S.

Copies of the Motion, the Order, the Bidding Procedures, this notice, and any other related documents are available: (a) upon request to Kroll by calling (844) 712-2239 (US/Canada Toll Free) or +1 (646) 863-7121 (International) for calls originating outside of the U.S.; (b) by visiting the Debtors’ restructuring website at <https://cases.ra.kroll.com/Joann2025>; or (c) for a fee via PACER by visiting <https://pacer.uscourts.gov>.

**Exhibit 4(B)**

**Notice of Winning Bidder (if there is an Auction)**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:	)	Chapter 11
JOANN INC., et al. <sup>1</sup>	)	Case No. 25-10068 (____)
Debtors.	)	(Joint Administration Requested)
	)	

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**NOTICE OF WINNING BIDDER AND  
BACK-UP BIDDER FOR CERTAIN OF THE DEBTORS' ASSETS**

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**PLEASE TAKE NOTICE OF THE FOLLOWING:**

On [●], 2025, the United States Bankruptcy Court for the District of Delaware (the “Court”) entered the *Order (I) Approving Bidding Procedures, (II) Scheduling Certain Dates and Deadlines with Respect Thereto, (III) Approving the Form and Manner of Notice Thereof, (IV) Approving the Stalking Horse Agreement, (V) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases, (VI) Authorizing the Assumption and Assignment of Assumed Contracts and Leases, (VII) Approving the Sale of Assets, and (VIII) Granting Related Relief* [Docket No. [●]] (the “Order”),<sup>2</sup> by which the Court approved procedures setting forth the process by which the Debtors are authorized to conduct a marketing and auction process for the sale or sales (the “Sale Transactions”) of the Debtors’ assets (the “Assets”).

On **February 14, 2025, at 10:00 a.m. (prevailing Eastern Time)**, pursuant to the Order, the Debtors commenced the Auction either in-person or by videoconference or such other form of remote communication established by the Debtors.

At the conclusion of the Auction, the Debtors selected the following Winning Bidder and Back-Up Bidder:

Assets	Winning Bidder	Back-Up Bidder	Key Terms of Proposed Sale
[●]			

The Sale Hearing to consider approval of the sale of the Assets to the Winning Bidder(s) at the Auction will be held before the Honorable [●], at the United States Bankruptcy Court for the District of

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: JOANN Inc. (5540); Needle Holdings LLC (3814); Jo-Ann Stores, LLC (0629); Creative Tech Solutions LLC (6734); Creativebug, LLC (3208); WeaveUp, Inc. (5633); JAS Aviation, LLC (9570); joann.com, LLC (1594); JOANN Ditto Holdings Inc. (9652); Dittopatterns LLC (0452); JOANN Holdings 1, LLC (9030); JOANN Holdings 2, LLC (6408); and Jo-Ann Stores Support Center, Inc. (5027). The Debtors’ mailing address is 5555 Darrow Road, Hudson, Ohio 44236.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Order, the Motion, or the Bidding Procedures, as applicable.

Delaware, 824 Market Street, 3<sup>rd</sup> Floor, Courtroom #[●], Wilmington, Delaware 19801, on **February 22, 2025, at 10:00 a.m. (prevailing Eastern Time)**.

At the Sale Hearing, the Debtors will seek the Court's approval of the Winning Bid(s) and the designation of the Back-Up Bid(s) (if any) for the applicable Assets. Unless the Court orders otherwise, the Sale Hearing shall be an evidentiary hearing on matters relating to the sale(s) for the applicable Assets, and there will be no further bidding at the Sale Hearing.

If a Winning Bidder cannot or refuses to consummate the Sale Transaction following entry of the Sale Order because of the breach or failure on the part of the Winning Bidder, the Back-Up Bidder (if any) shall be deemed the new Winning Bidder and the Debtors shall be authorized, but not required, to close the applicable Sale Transaction with such Back-Up Bidder(s) on the terms and provisions of such applicable Back-Up Bid(s) without further order of the Court upon filing a notice with the Court providing for a three (3) business days period to object to such sale.

This notice is subject to the terms and conditions of the Motion and the Order, with such Order controlling in the event of any conflict, and the Debtors encourage parties in interest to review such documents, including the Bidding Procedures, in their entirety. Parties interested in receiving additional or other information regarding the proposed Sale Transaction or other disposition of the applicable Assets may make a written request to Kroll Restructuring Administration LLC ("Kroll") (the notice and claims agent retained in these chapter 11 cases) or by calling (844) 712-2239 (US/Canada Toll Free) or +1 (646) 863-7121 (International) for calls originating outside of the U.S.

Copies of the Motion, the Order, the Bidding Procedures, this notice, and any other related documents are available: (a) upon request to Kroll by calling (844) 712-2239 (US/Canada Toll Free) or +1 (646) 863-7121 (International) for calls originating outside of the U.S.; (b) by visiting the Debtors' restructuring website at <https://cases.ra.kroll.com/Joann2025>; or (c) for a fee via PACER by visiting <https://pacer.uscourts.gov>.

**Exhibit 5**

**Cure Notice**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:	)	Chapter 11
	)	
JOANN INC., <i>et al.</i> <sup>1</sup>	)	Case No. 25-10068 (____)
	)	
Debtors.	)	(Joint Administration Requested)
	)	

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**NOTICE OF POTENTIAL ASSUMPTION OR  
ASSUMPTION AND ASSIGNMENT OF CERTAIN CONTRACTS OR LEASES**

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**PLEASE TAKE NOTICE OF THE FOLLOWING:**

On [●], 2025, the United States Bankruptcy Court for the District of Delaware (the “Court”) entered the *Order (I) Approving Bidding Procedures, (II) Scheduling Certain Dates and Deadlines with Respect Thereto, (III) Approving the Form and Manner of Notice Thereof, (IV) Approving the Stalking Horse Agreement, (V) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases, (VI) Authorizing the Assumption and Assignment of Assumed Contracts and Leases, (VII) Approving the Sale of Assets, and (VIII) Granting Related Relief* [Docket No. [●]] (the “Order”),<sup>2</sup> by which the Court approved procedures for the assumption or assumption and assignment of executory contracts and unexpired leases and granted related relief, as set forth in the Order.

Pursuant to the Order and by this notice (this “Cure Notice”), the Debtors hereby notify you that they have determined, in the exercise of their reasonable business judgment, that each executory contract or unexpired lease set forth on **Schedule 1** attached hereto (the “Potential Assumption List”) may be assumed (and, if applicable, assigned) effective as of the date (the “Assumption Date”) set forth in **Schedule 1** or such other date as the Debtors and the counterparty or counterparties to such executory contracts or unexpired leases may agree.

The Debtors believe that the party to which each applicable executory contract or unexpired lease may be assigned has the financial wherewithal to meet all future obligations under such contract or lease and the Debtors will, at the request of the applicable counterparty, use commercially reasonable efforts to provide evidence thereof to such applicable counterparty (and their counsel, if known) thereby demonstrating that the assignee of the contract or lease has the ability to comply with the requirements of adequate assurance of future performance.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: JOANN Inc. (5540); Needle Holdings LLC (3814); Jo-Ann Stores, LLC (0629); Creative Tech Solutions LLC (6734); Creativebug, LLC (3208); WeaveUp, Inc. (5633); JAS Aviation, LLC (9570); joann.com, LLC (1594); JOANN Ditto Holdings Inc. (9652); Dittopatterns LLC (0452); JOANN Holdings 1, LLC (9030); JOANN Holdings 2, LLC (6408); and Jo-Ann Stores Support Center, Inc. (5027). The Debtors’ mailing address is 5555 Darrow Road, Hudson, Ohio 44236.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Order, the Motion, or the Bidding Procedures, as applicable.

Parties objecting to the proposed assumption and assignment (including a Winning Bidder's proposed form of adequate assurance of future performance) must file and serve a written objection (each, a "Cure Objection") so that such objection is filed with the Court and **actually received by the following parties no later than [●], 2025, at 5:00 p.m. (prevailing Eastern Time)** (the "Cure Objection Deadline"):

(a) the Debtors, JOANN Inc., 5555 Darrow Road, Hudson, Ohio 44236, Attn.: Ann Aber, EVP, Chief Legal and Human Resources Officer; (b) proposed co-counsel to the Debtors, (i) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn.: Aparna Yenamandra, P.C. ([aparna.yenamandra@kirkland.com](mailto:aparna.yenamandra@kirkland.com)) and 333 West Wolf Point Plaza, Chicago Illinois 60654, Attn.: Jeffrey Michalik ([jeff.michalik@kirkland.com](mailto:jeff.michalik@kirkland.com)), and Lindsey Blumenthal ([lindsey.blumenthal@kirkland.com](mailto:lindsey.blumenthal@kirkland.com)) and (ii) Cole Schotz P.C., 500 Delaware Avenue, Suite 1410, Wilmington, Delaware 19801, Attn.: Patrick J. Reilley ([preilley@coleschotz.com](mailto:preilley@coleschotz.com)), Stacy L. Newman ([snewman@coleschotz.com](mailto:snewman@coleschotz.com)), Michael E. Fitzpatrick ([mfitzpatrick@coleschotz.com](mailto:mfitzpatrick@coleschotz.com)), and Jack M. Dougherty ([jdougherty@coleschotz.com](mailto:jdougherty@coleschotz.com)); (c) the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn.: Malcolm M. Bates ([malcolm.m.bates@usdoj.gov](mailto:malcolm.m.bates@usdoj.gov)); (d) counsel to the Prepetition ABL Agent, Morgan, Lewis & Bockius LLP, One Federal Street, Boston, Massachusetts 02110, Attn.: Christopher L. Carter ([christopher.carter@morganlewis.com](mailto:christopher.carter@morganlewis.com)) and Marjorie Crider ([marjorie.crider@morganlewis.com](mailto:marjorie.crider@morganlewis.com)); (e) counsel to the Prepetition FILO Agent, Choate Hall & Stewart LLP, 2 International Place, Boston, Massachusetts 02110, Attn.: John Ventola ([jventola@choate.com](mailto:jventola@choate.com)) and Jonathan Marshall ([jmarshall@choate.com](mailto:jmarshall@choate.com)); (f) counsel to the Prepetition Term Loan Agent, ArentFox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor, New York, New York 10019, Attn.: Jeffrey Gleit ([jeffrey.gleit@afslaw.com](mailto:jeffrey.gleit@afslaw.com)) and 1717 K Street NW, Washington, D.C. 20006, Attn.: Jonathan Bagg ([jonathan.bagg@afslaw.com](mailto:jonathan.bagg@afslaw.com)), and 233 South Wacker Drive, Suite 7100, Chicago, Illinois 60606, Attn.: Matthew Bentley ([matthew.bentley@afslaw.com](mailto:matthew.bentley@afslaw.com)); (g) counsel to Gordon Brothers Retail Partners, LLC, Katten Muchin Rosenman LLP, 50 Rockefeller Plaza, New York, New York 10020, Attn.: Steven Reisman ([sreisman@katten.com](mailto:sreisman@katten.com)) and Cindi Giglio ([cgiglio@katten.com](mailto:cgiglio@katten.com)); and (h) any statutory committee appointed in these chapter 11 cases.

Absent a Cure Objection being timely filed, the assumption of each executory contract or unexpired lease may become effective on the Assumption Date set forth in **Schedule 1**, or such other date as the Debtors and the counterparty or counterparties to such executory contract or unexpired lease may agree.

If an objection is timely filed and not withdrawn or resolved, such objection will be heard at the Sale Hearing or on such other date and time as agreed to by the Debtors and the objecting party or ordered by the Court. If such objection is overruled or withdrawn, the applicable executory contract or unexpired lease shall be assumed as of the Assumption Date set forth in **Schedule 1** or such other date as the Debtors and the counterparty or counterparties to such executory contract unexpired lease may agree.

**Schedule 1**  
**Potential Assumption List**